As filed with the U.S. Securities and Exchange Commission on June 30, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Redfin Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**6531**	**74-3064240**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1099 Stewart Street, Suite 600
Seattle, WA 98101
(206) 576-8333
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Glenn Kelman
Chief Executive Officer
Redfin Corporation
1099 Stewart Street, Suite 600
Seattle, WA 98101
(206) 576-8333
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, or Securities Act, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, par value $0.001 per share	$100,000,000	$11,590

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated June 30, 2017.

Shares

Common Stock

This is an initial public offering of shares of common stock of Redfin Corporation.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We have applied to list our common stock on The NASDAQ Global Select Market under the symbol "RDFN."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements.

See "Risk Factors" beginning on page 15 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) See "Underwriting" for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2017.

Goldman Sachs & Co. LLC **Allen & Company LLC**

BofA Merrill Lynch **RBC Capital Markets**

Oppenheimer & Co. **Stifel**

Prospectus dated , 2017

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The Modern Way to Buy or Sell a Home

On Your Side
Agents paid on customer satisfaction, not just commissions

On-Demand
Schedule home tours with a few taps on your phone

Tech at Every Step
Tech keeps you & your agent on the same page about marketing your listing, finding your next home & closing on time

Save Thousands
Sellers pay Redfin about half the typical fee. Buyers on average save $3,500+ at closing

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside of the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourself about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights information presented in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all the information you should consider before investing in our common stock. You should read the entire prospectus carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and related notes included elsewhere in this prospectus, before investing in our common stock.

Our Company

Redfin is a technology-powered residential real estate brokerage. We represent people buying and selling homes in over 80 markets throughout the United States. Our mission is to redefine real estate in the consumer's favor.

Our strategy is simple. In a commission-driven industry, we put the customer first. We do this by pairing our own agents with our own technology to create a service that is faster, better, and costs less. We meet customers through our listings-search website and mobile application, reducing the marketing costs that can keep fees high. We let homebuyers schedule home tours with a few taps of a mobile-phone button, so it's easy to try our service. We create an immersive online experience for every Redfin-listed home and then promote that listing to more buyers than any traditional brokerage can reach through its own website. We use machine learning to recommend better listings than any customer could find on her own. And we pay Redfin lead agents based in part on customer satisfaction, not just commission, so we're on the customer's side.

Our efficiency results in savings that we share with our customers. Our homebuyers saved on average approximately $3,500 per transaction in 2016. And we charge most home sellers a commission of 1% to 1.5%, compared to the 2.5% to 3% typically charged by traditional brokerages.

The results of our customer-first approach are clear. We:

- helped customers buy or sell more than 75,000 homes worth more than $40 billion through 2016;
- gained market share in 81 of our 84 markets from 2015 to 2016;
- drew more than 20 million monthly average visitors[1] to our website and mobile application in the first quarter of 2017, 44% more than the first quarter of 2016, making us the fastest-growing top-10 real estate website;
- earned a Net Promoter Score, a measure of customer satisfaction, that is 32% higher than competing brokerages', and a customer repeat rate that is 37% higher than competing brokerages';
- sold Redfin-listed homes for approximately $3,000 more on average compared to the list price than competing brokerages' listings in 2016; and

[1] See "Industry and Market Data and Calculation of NPS and Key Business Metrics" for a description of and an explanation of the limitations associated with this metric.

- employed lead agents who, in 2016, were on average three times more productive, and earned on average twice as much money as agents at competing brokerages; our lead agents were also 44% more likely to stay with us from 2015 to 2016 than agents at competing brokerages.

And we're just getting started. Because we're one of the only major brokerages building virtually all of our own brokerage software, our gains in efficiency, speed, and quality are proprietary. Because our leadership and engineering teams have come from the technology industry, and have structured the business to invest in software development, we believe those software-driven gains are likely to grow over time. And finally, because we hire our own lead agents as employees, we can set data-driven best practices for selling homes, with our software tailored to those practices, creating a positive feedback loop between software and operational innovations that we believe differentiates us from traditional brokerages. Moreover, we believe listing more homes and drawing more homebuyers to our website and mobile application will let us pair homebuyers and home sellers directly online over time, further improving our service and lowering our costs.

Our growth has been significant. For the three months ended March 31, 2016 and 2017, we generated revenue of $41.6 million and $59.9 million, respectively, representing year-over-year growth of 44%. For the three months ended March 31, 2016 and 2017, we generated net losses of $24.3 million and $28.1 million, respectively.

For the years ended December 31, 2014, 2015, and 2016, we generated revenue of $125.4 million, $187.3 million, and $267.2 million, respectively, representing annual growth of 37%, 49%, and 43%, respectively. We generated net losses of $24.7 million, $30.2 million, and $22.5 million for the years ended December 31, 2014, 2015, and 2016, respectively.

Real Estate Industry

Over one-third of middle-class consumer spending is on the home. The National Association of REALTORS ®, or NAR, estimated that the aggregate value of existing U.S. home sales was approximately $1.5 trillion in 2016 from approximately 5.5 million total transactions. We estimate consumers paid more than $75 billion in commissions in 2016 for these transactions.

Highly Fragmented

The residential brokerage industry is highly fragmented. There are an estimated 2,000,000 active licensed agents and over 86,000 real estate brokerages in the United States, many operating through franchises or as small local brokerages. Our goal is to build the first large-scale brokerage that stands apart in consumers' minds for delivering a unique and consistent customer experience, where the value is in our brokerage and its technologies, not just a personal relationship with one agent.

Commission-Driven Compensation

Traditional real estate agents earn commissions based on a home's sale price, with no direct consideration for customer satisfaction or service quality. We pay our lead agents a bonus based in part on customer satisfaction, not just commission. We do this to make our lead agents accountable not just for any sale, but for a sale on terms that satisfy our customer.

High Customer-Acquisition Costs

Traditional real estate agents spend significant amounts of time and money prospecting for customers through traditional advertising channels and networking activities. We believe that the

Internet is more efficient at connecting consumers with agents than the prospecting activities of most agents, and that this efficiency gain can benefit the consumer most when a website is operated by the brokerage representing that consumer in a purchase or sale.

How We Win

Next-Generation Technologies

From stocks to books to lodging, technology has made it easier, faster, and less expensive to buy almost everything in our lives except the most important thing: our home.

To solve this problem, Redfin uses a wide range of next-generation technologies. We invented map-based real estate search. We use machine learning and artificial intelligence to answer customers' most important questions about where to live, how much a home is worth, and when to move. We draw on cloud computing to perform computationally intensive comparisons of homes at a scale that would otherwise be cost prohibitive. We use streaming technologies to quickly notify customers about a listing. And we embrace new hardware, such as three-dimensional scanning cameras that let potential homebuyers walk through the property online.

The goal of all of these technologies is to empower our customers and increase our agents' productivity. This leads to consistently better customer service at a lower cost. We pass the resulting savings to our customers.

Comprehensive Listings Data

As a brokerage, Redfin has complete access to all the homes listed for sale in the local multiple listing services, or MLSs, in the markets we serve. MLSs are used by real estate agents to list properties and coordinate sales. Although websites that do not operate a brokerage often have access to these MLSs, the terms of their access vary widely. As a result, brokerage websites often get more listings from MLSs, or more detail about each listing, than other websites.

Access to this extensive data, paired with local knowledge, lets us give our customers what we believe to be the most comprehensive information on homes for sale.

Additionally, our streaming architecture is designed to recommend listings to our customers by mobile alert or email soon after these listings appear in the MLS. These advantages in loading listings data and quickly notifying consumers come not just at the listing debut in the MLS, but in recognizing when a price changes or a home sells. For over 80% of these listings, we can show the listing on our website and mobile application within five minutes of its debut in the MLS. According to a 2017 study we commissioned, we notify our customers about newly listed homes between three to 18 hours faster than other leading real estate websites.

Machine Learning

Redfin Listing Recommendations

Knowing which listings customers visit online, tour in person, or ultimately make an offer on lets our algorithms make better listing recommendations, further enhanced through curation by our lead agents.

Redfin Estimate

Our access to detailed data about every MLS listing in markets we serve has helped us build what we believe is the most accurate automated home-valuation tool. According to a 2017 study we commissioned, among industry-leading websites that display valuations for active listings, 64% of the listings for which we provided a public valuation estimate sold within 3% of that estimate, compared to only 29% and 16% of the public estimates for the two other websites in the study.

Redfin Hot Homes

This proprietary algorithm identifies the homes we believe are most likely to sell quickly. Coupling Redfin *Hot Homes* alerts with on-demand tours, as well as data we're collecting about offer deadlines, is part of our strategy to give our customers a first-mover advantage in pursuing the most desirable homes for sale.

On-Demand Service

Customers place a premium on speed. When we offer online visitors faster service, more try that service. Delivering this speed depends on seamless integration between our technology and service—to get customers into homes first, to prepare an offer first, to be able to win the deal, and to close without a hitch. Tracking every digital customer interaction and working in teams lets us provide fast, consistently high-quality service.

Teams and Tools

We believe that our ability to deliver better, faster service at lower cost depends not only on our ongoing software development, but also on organizing employees into teams using that software to respond faster than most individual agents could.

Teams of Employee Agents

Our lead agents are responsible for each customer's success and are the customer's primary point of contact. A lead agent typically meets the customer on a first tour or listing consultation and works with that customer throughout the buying or selling process. She is assisted by support agents for responding to initial online inquiries, by marketing assistants for getting a home photographed and promoted online and in printed fliers, and by transaction coordinators for closing paperwork.

Our entire team of employees follows processes and uses software developed by Redfin to ensure consistent, high-quality service, based on data-driven insights about how to schedule tours, when to check in with customers, and how to price a home.

Flexible Network of Independent Associate Agents

We also contract with independent associate agents to create a flexible network of licensed real estate agents to deliver faster service for customer tours, open houses, and inspections.

Redfin Agent Tools

Our proprietary Redfin *Agent Tools* automatically captures information on millions of customer interactions every year, and provides templates for our lead agents to recommend listings, follow up on

tours, prepare comparative market analyses, and write offers. Our employee agents can access Redfin *Agent Tools* on their mobile device, so we can serve customers better and faster, even when our agents are in the field rather than at their desks.

Productive Agents

We believe our ability to meet customers through our website and mobile application has a profound effect not just on our economics but on our culture: our lead agents' primary responsibility is not generating new leads, but advising customers buying and selling homes. In 2016, our lead agents were on average three times more productive and earned on average twice as much money as agents at competing brokerages.

Data guides our hiring and management decisions, as we've analyzed which industry hires out perform those new to real estate and what level of prior experience is correlated with long tenure at our company. We measure agent performance in detail and give managers access to this data in real time, so we can quickly intervene when our customer service falls short.

Investment in Agents

The high productivity of our lead agents rationalizes an investment in equipment, management, training, and support staff that is unusual in the industry: we pay for all of our employee agents' equipment, dues, and marketing expenses, and we provide training for each new hire, with a multi-week course for agents in our largest markets. We believe that the combined effect of these investments is more productive lead agents and better customer service.

Redfin Partner Program

To serve customers when our own agents can't due to high demand or geographic limitations, we've developed partnerships with over 3,100 agents at other brokerages. Once we refer a customer to a partner agent, that agent, not us, represents the customer from the initial meeting through closing, at which point the agent pays us a portion of her commission as a referral fee. As part of our commitment to low fees, we directly issue the customer a $500 check in connection with the purchase or sale of any home costing $200,000 or more.

Rather than countering seasonal and cyclical changes in demand by recruiting a surplus of agents, we rely on partner agents to handle demand swings. We built our partner program so our lead agents can deliver consistently high-quality service at busy times, and so we can limit the effect of fixed expenses when demand falters.

Homebuyer Experience

We seek to provide every homebuyer with fast service, low fees, and an agent completely on that buyer's side. Our lead agents can join each homebuyer's online search, commenting on the buyer's favorite listings, answering questions, or recommending listings the buyer might have overlooked. With a few taps of a mobile-phone button, a Redfin homebuyer can schedule home tours before many buyers even realize those homes are for sale. Our lead agent hosting the tour earns bonuses based on customer reviews, not just commissions, encouraging the candor customers need to make the best decision about which home to buy.

We recently introduced a fast-offer capability in selected markets: on the front steps of a listing the customer likes, our lead agent uses our technology to draft an offer in minutes, with the goal of

beating competing homebuyers to the punch. During the inspections and appraisals, we track contracts and tasks in an online deal room to keep the closing on schedule.

Home Seller Experience

We seek to give every home seller honest advice on how to price her property; the best marketing, primarily online; and the lowest fees. Our industry-leading algorithms for calculating what a home is worth lead to a better pricing recommendation in the initial consultation. We believe this is one reason Redfin listings sell for more relative to the list price than other brokers', and are more likely to sell in the first 90 days on market.

To increase demand, we film an interactive, three-dimensional virtual scan of the home and we promote each Redfin listing on our website and mobile application. We drive additional demand through targeted email as well as other channels like Facebook, using advanced algorithms to promote the listing to the right homebuyers. We also share the listing with every major real estate website. An online dashboard tracks traffic to the listing and an iPad application registers in-person visits to open houses, so our home sellers make better decisions about pricing, marketing, and offer negotiations.

We believe listing more homes and drawing more homebuyers to our website and mobile application will let us pair homebuyers and home sellers directly online over time, further improving our service and lowering our costs.

Our Value Proposition

Customers Get Better Service

Our Net Promoter Score[2], a measure of a customer's willingness to recommend a company's products or services to others, is 50, compared to the industry average of 38, as measured by a study we commissioned in May 2017.

Measurable Results

Redfin listings were on the market for an average of 30 days in 2016 compared to the industry average of 36 days according to a study we commissioned. And approximately 75% of Redfin listings sold within 90 days versus the industry average of approximately 71% according to the same study.

Customers Save Money

We give homebuyers a portion of the commissions that we earn. We typically earn 2.5% to 3% of a home's value for representing a homebuyer, and we contributed an average of approximately $3,500 per transaction through a commission refund or a closing-cost reduction in 2016. We returned a total of approximately $62.4 million to customers in commission refunds or closing-cost reductions in 2016.

Consumers selling a home with a traditional brokerage typically pay total commissions of 5% to 6% of the sale price, with 2.5% to 3% going to their agent and another 2.5% to 3% to the agent representing the buyer. Redfin home sellers typically pay only 1% to 1.5% of their home's sale price to us, depending on the market and subject to market-by-market minimums. So we can readily sell our

2 See "Industry and Market Data and Calculation of NPS and Key Business Metrics" for further information on and an explanation of the limitations associated with this metric.

listings to any homebuyer, including a buyer represented by a competing brokerage, we typically recommend that our home sellers still offer a 2.5% to 3% commission to the buyer's agent. As a result, we typically save our home sellers 1% to 2% of the total sales prices on average listing fees.

Our Culture of Service and Thrift

Service is fundamental to our "everyone-sweeps-the-floors" culture: our executives serve our employees, and our employees serve our customers. As part of this humility, we recognize that everyone can be a leader. An agent can imagine better software; an engineer can imagine better service. The only way we can use technology to make real estate better is by working together, in a way we believe that few pure technology or pure service companies can.

Another tenet of our culture is thrift. We may be a next-generation real estate brokerage, but we're old-fashioned about stockholder value. We continued to grow through the darkness of the 2008 real estate crisis as we fought to make a margin-sensitive, headcount-intensive business work with the resources we had. Next week, next year, some day, that darkness will return, and we believe that our formative experiences will make us better prepared for it than others.

Growth Strategies

Grow Share in Existing Markets

We have a strong track record of gaining share across nearly all of our markets, including the markets open more than a decade. We have studied cohorts of our markets opened in similar timeframes. We have gained market share, increased real estate revenue, and increased real estate gross margin in all of the cohorts in each of the years studied. Our year-to-year market share gains have been largely consistent across cohorts.

As we gain local market share, our service gets even better. By doing more transactions in a smaller area, agents increase their local knowledge. We capture more customer-interaction data, powering analytics such as our listing recommendation engine. Potential customers see our yard signs more often and hear from other customers about our service. We believe these factors fuel further market share gains.

We believe listing share lets us provide better online search results, because we post Redfin listings to our website first in many markets, with exclusive photos about each listing. We further believe that as we gain share, more homebuyers will want to work with us to gain access to our listings, and we'll get more listings from owners seeking access to our homebuyers. As this flywheel starts turning, we plan to invest more to connect homebuyers and home sellers directly.

We believe transactions from our repeat and referral customers will continue to play a larger role in our market share gains. According to NAR, homeowners sell their homes every nine years on average, suggesting that repeat business takes a long time to build. At Redfin, we're now seeing our customers come back to sell a home we helped them buy many years before. We had 53% more repeat transactions in 2016 as compared to 2015, and 81% more transactions from customer referrals in that same period. The rate at which our customers return to us for another transaction is 37% higher than the industry average. With tens of thousands of new customers each year, and higher rates of customer satisfaction, we believe we can drive future share gains as those customers choose to work with us again and refer our services to their friends and family.

Offer a Complete Solution

We're continuously evaluating and introducing new services to become an end-to-end solution for customers buying and selling a home. Our experience with Title Forward, our title and settlement business, demonstrates that many Redfin customers are open to buying more services from us. In 2016, in the eight states where Title Forward operated, 46% of our homebuyers also chose our title and settlement service. In the first quarter of 2017, we began originating and underwriting loans through Redfin Mortgage. Our goal is to build technology for Redfin Mortgage that will ultimately support a completely digital closing, leading to efficiency gains for our brokerage, title, and mortgage businesses. In the first quarter of 2017, we began testing an experimental new service called Redfin Now, where we buy homes directly from home sellers and resell them to homebuyers. Customers who sell through Redfin Now will typically get less money for their home than they would listing their home with a real estate agent, but get that money faster with less risk and fuss.

Selected Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted under "Risk Factors" immediately following this prospectus summary. These risks include:

- we operate in a seasonal and cyclical industry, and we're negatively affected by industry downturns;
- we have a history of losses, we may never be consistently profitable, and as of March 31, 2017, we had an accumulated deficit of $613.3 million;
- our business is concentrated in certain geographic markets, and any disruptions in those markets could harm our business;
- our future market share gains may take longer than planned and cause us to incur significant costs;
- our revenue and results of operations may fluctuate on a quarterly and annual basis;
- our business model and growth strategy depend on our ability to attract homebuyers and home sellers to our website and mobile application efficiently;
- we must provide our customers comprehensive and accurate real estate listings quickly;
- we must comply with the rules, terms of service, and policies of numerous MLSs;
- competition in our industry is intense and our business model subjects us to challenges our competitors do not face;
- we are subject to an increasing variety of federal, state, and local laws and regulations that increase our compliance costs and could subject us to claims;
- we are subject to litigation risks; and
- our executive officers, directors, principal stockholders, and their affiliates will continue to exercise significant influence over our company after this offering.

Corporate Information

We were incorporated as Appliance Computing Inc. in Washington in October 2002. We reincorporated in February 2005 in Delaware and changed our name to Redfin Corporation in May 2006. Our principal executive offices are located at 1099 Stewart St., Suite 600, Seattle, Washington 98101, and our telephone number is (206) 576-8333. Our website address is www.redfin.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus. Investors should not rely on any such information in deciding whether to purchase our common stock.

Unless the context indicates otherwise, as used in this prospectus, the terms "Redfin," the "Company," "we," "us," and "our" refer to Redfin Corporation, a Delaware corporation, and its subsidiaries taken as a whole, unless otherwise noted.

Redfin, the Redfin logo, Redfin Estimate, Title Forward, Walk Score, Redfin Mortgage, Redfin Now, and other registered or common law trade names, trademarks, or service marks of Redfin appearing in this prospectus are Redfin's property. This prospectus contains additional trade names, trademarks, and service marks of other companies that are not owned by Redfin. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies. Solely for convenience, our trademarks and trade names referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor, to these trademarks and trade names.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- being permitted to present only two years of audited financial statements and only two years of related "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus;
- not being required to comply with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis);
- reduced disclosure about our executive compensation arrangements; and
- exemptions from the requirements to obtain a non-binding advisory vote on executive compensation and a stockholder approval of any golden parachute arrangements.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. Accordingly, the information contained in this prospectus may be different than the information you receive from other public companies in which you hold stock. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have $1.07 billion or more in total annual revenue, (2) the date we qualify as a “large accelerated filer,” (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period, or (4) December 31, 2022 (the last day of the fiscal year ending after the fifth anniversary of the completion of this offering).

In addition, the JOBS Act also provides that an emerging growth company can utilize extended transition periods for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

The Offering

Common stock offered	shares
Option to purchase additional shares of common stock	shares
Common stock to be outstanding after this offering	shares (shares, if the underwriters exercise their option to purchase additional shares in full)
Use of proceeds	We estimate that the net proceeds from the sale of shares of common stock in this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses. We intend to use the net proceeds that we receive from this offering for working capital and other general corporate purposes, including technology and development and marketing activities, general and administrative matters, and capital expenditures. We may also use a portion of the net proceeds to invest in or acquire third-party businesses, products, services, technologies, or other assets. See "Use of Proceeds."
Risk factors	You should read the "Risk Factors" section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Proposed NASDAQ Global Select Market symbol	"RDFN"

The number of shares of our common stock to be outstanding after this offering is based on 210,918,254 shares of our common stock outstanding as of March 31, 2017, and excludes:

- 39,068,334 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2017, with a weighted-average exercise price of $1.97 per share;
- 3,145,090 shares of our common stock issuable upon exercise of options granted between April 1, 2017 and June 28, 2017, with an exercise price of $3.60 per share; and
- shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) shares of our common stock reserved for future issuance under our Amended and Restated 2004 Equity Incentive Plan, which shares will be added to the shares to be reserved under our 2017 Equity Incentive Plan in connection with this offering, and (2) shares of our common stock reserved for future issuance under our 2017 Equity Incentive Plan, which will become effective in connection with this offering.

Except as otherwise indicated, all information in this prospectus assumes:

- the automatic conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2017 into an aggregate of 166,266,114 shares of our common stock, which will occur upon the completion of this offering;
- a -for- reverse stock split of our common stock, effective on ;
- the effectiveness of our restated certificate of incorporation and restated bylaws immediately prior to the completion of this offering;
- no exercise of outstanding options after March 31, 2017; and
- no exercise of the underwriters' option to purchase additional shares of our common stock.

Summary Consolidated Financial Data

The following tables summarize our consolidated financial data. We have derived the following consolidated statements of operations data for the years ended December 31, 2014, 2015, and 2016, from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the following summary consolidated statements of operations data for the three months ended March 31, 2016 and 2017 and our summary consolidated balance sheet data as of March 31, 2017 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. Our unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles on the same basis as our audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal, recurring adjustments, that are necessary for the fair presentation of our consolidated financial position as of March 31, 2017 and our consolidated results of operations for the three months ended March 31, 2016 and 2017. Our historical results are not necessarily indicative of the results that may be expected for any future period, and the results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year or any other period. The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the accompanying notes and other financial information included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(in thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 125,363	$ 187,338	$ 267,196	$ 41,636	$ 59,868
Cost of revenue(1)	93,272	138,492	184,452	38,505	53,492
Gross profit	32,091	48,846	82,744	3,131	6,376
Operating expenses:					
Technology and development(1)	17,876	27,842	34,588	7,898	9,672
Marketing(1)	15,058	19,899	28,571	9,211	10,459
General and administrative(1)	24,240	31,394	42,369	10,385	14,367
Total operating expenses	57,174	79,135	105,528	27,494	34,498
Income (loss) from operations	(25,083)	(30,289)	(22,784)	(24,363)	(28,122)
Interest income and other income, net:					
Interest income	23	46	173	47	43
Other income, net	24	7	85	37	13
Total interest income and other income, net	47	53	258	84	56
Income (loss) before tax benefit (expense)	(25,036)	(30,236)	(22,526)	(24,279)	(28,066)
Income tax benefit (expense)	306	—	—	—	—
Net Income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)
Accretion of redeemable convertible preferred stock	(101,251)	(102,224)	(55,502)	(5,212)	(24,770)
Net income (loss) attributable to common stock—basic and diluted	$ (125,981)	$ (132,460)	$ (78,028)	$ (29,491)	$ (52,836)

Net income (loss) per share attributable to common stock—basic and diluted(2)	$ (3.92)	$ (3.29)	$ (1.81)	$ (0.69)	$ (1.19)
Weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted(2)	32,150,025	40,249,762	43,185,844	42,710,904	44,303,191
Pro forma net income (loss) per share attributable to common stock—basic and diluted (unaudited)(2)			$ (0.11)		$ (0.13)
Pro forma weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted (unaudited)			209,451,958		210,569,305

(1) Includes stock-based compensation as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in thousands)		
Cost of revenue	$ 1,280	$ 1,440	$ 2,266	$ 518	$ 714
Technology and development	962	1,375	2,383	539	731
Marketing	237	298	469	110	119
General and administrative	2,717	2,449	3,295	654	1,117
Total	$ 5,196	$ 5,562	$ 8,413	$ 1,821	$ 2,681

(2) See Note 8 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net income (loss) per share attributable to common stock, basic and diluted, and pro forma net income (loss) per share attributable to common stock, basic and diluted.

	As of March 31, 2017		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)(3)
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash, cash equivalents, and short-term investments	$ 37,959	$ 37,959	$
Working capital	32,686	32,686	
Total assets	116,907	116,907	
Redeemable convertible preferred stock	680,186	—	
Total stockholders' equity (deficit)	(613,264)	66,922	

(1) The pro forma column reflects the automatic conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2017 into an aggregate of 166,266,114 shares of common stock, which conversion will occur upon the completion of this offering.

(2) The pro forma as adjusted column gives effect to (a) the pro forma adjustments set forth above and (b) the sale and issuance by us of shares of our common stock in this offering, based upon an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our cash, cash equivalents and short-term investments, working capital, total assets, and total stockholders' equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) our cash, cash equivalents, and short-term investments, working capital, total assets, and total stockholders' equity by approximately $ million, assuming the assumed initial public offering price, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before deciding to invest in our common stock. Our business, operating results, financial condition, or prospects could be materially and adversely affected by any of these risks and uncertainties. If any of these risks occurs, the trading price of our common stock could decline and you might lose all or part of your investment. Our business, operating results, financial performance, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Risks Related to Our Business and Industry

The U.S. residential real estate industry is seasonal and cyclical, and we're negatively affected by industry downturns.

Our success depends largely on the health of the U.S. residential real estate industry, which is seasonal, cyclical, and affected by changes in general economic conditions beyond our control. Any of the following macroeconomic factors could adversely affect demand for residential real estate, result in falling home prices, and harm our business:

- increased interest rates;
- increased unemployment rates or stagnant or declining wages;
- slow economic growth or recessionary conditions;
- weak credit markets;
- low consumer confidence in the economy or the U.S. residential real estate industry;
- adverse changes in local or regional economic conditions in the markets that we serve;
- fluctuations in local and regional home inventory levels;
- constraints on the availability of mortgage financing, enhanced mortgage underwriting standards, or increased down payment requirements;
- federal and state legislative, tax or regulatory changes that would adversely affect the U.S. residential real estate industry, including potential reform relating to Fannie Mae, Freddie Mac and other government sponsored entities that provide liquidity to the mortgage market, and limitations on the deductions of certain mortgage interest expenses;
- increases in the exchange rate for the U.S. dollar compared to foreign currencies, causing U.S. real estate to be more expensive for foreign purchasers;
- foreign regulatory changes or capital controls that would make it more difficult for foreign purchasers to withdraw capital from their home countries or purchase and hold U.S. real estate;
- strength of financial institutions;

- high levels of foreclosure activity in particular markets;
- a decrease in home ownership rates;
- political uncertainty relating to the new presidential administration; or
- acts of nature, such as hurricanes, earthquakes, and other natural disasters, as well as adverse environmental and climate changes that disrupt the local or regional real estate markets we serve.

We have a history of losses, and we may not achieve or maintain profitability in the future.

We have not been profitable on an annual basis since we were founded, and as of March 31, 2017, we had an accumulated deficit of $613.3 million. We expect to continue to make future investments in developing and expanding our business, including technology, recruitment and training, marketing, and pursuing strategic opportunities. These investments may not result in increased revenue or growth in our business. Additionally, we may incur significant losses in the future for a number of reasons, including:

- our inability to grow market share;
- increased competition in the U.S. residential real estate industry;
- changes in our commission rates;
- our failure to realize our anticipated efficiency through our technology and business model;
- failure to execute our growth strategies;
- declines in the U.S. residential real estate industry; and
- unforeseen expenses, difficulties, complications and delays, and other unknown factors.

Accordingly, we may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future.

Our business is concentrated in certain geographic markets. Failing to grow in those markets or any disruptions in those markets could harm our business.

For 2015, 2016, and the three months ended March 31, 2017, approximately 75%, 72%, and 68% of our real estate revenue, respectively, was derived from our top-10 markets, which consist of the metropolitan areas of Boston, Chicago, Los Angeles, Maryland, Orange Country, Portland, San Diego, San Francisco, Seattle, and Virginia. These markets are primarily major metropolitan areas, where home prices and transaction volumes are generally higher than other markets. Local and regional economic conditions in these markets differ materially from prevailing conditions in other parts of the United States. In addition, due to the higher home prices in these markets, our real estate revenue and gross margin is generally higher in these markets than in our smaller markets. Any overall or disproportionate downturn in demand or economic conditions in any of our largest markets, particularly if we are not able to increase revenue from our other markets, could result in a decline in our revenue and harm our business.

Our future market share gains may take longer than planned and cause us to incur significant costs.

We represent people buying and selling homes in over 80 markets throughout the United States. We have a limited operating history in many of these markets. Expanding our services in existing and new markets and increasing the depth and breadth of our presence imposes significant burdens on our marketing, compliance, and other administrative and managerial resources. Our plan to expand and deepen our market share in our existing markets and possibly expand into additional markets is subject to a variety of risks and challenges. These risks and challenges include the varying economic and demographic conditions of each market, competition from local and regional residential brokerage firms, variations in transaction dynamics, and pricing pressures. Additionally, our earlier markets typically have higher mean home prices than our more recent markets. In addition, many valuable markets have established residential brokerages with superior local referral networks, name recognition, and perceived local knowledge and expertise. If we cannot manage our expansion efforts efficiently, our market share gains could take longer than planned and our related costs could exceed our expectations. In addition, we could incur significant costs to seek to expand our market share, and still not succeed in attracting sufficient customers to offset such costs.

We expect our revenue and results of operations to fluctuate on a quarterly and annual basis.

Our revenue and results of operations are likely to vary significantly from period to period and may fail to match expectations as a result of a variety of factors, many of which are outside our control. The other risk factors discussed in this “Risk Factors” section may contribute to the variability of our quarterly and annual results. In addition, our revenue and results may fluctuate as a result of:

- seasonal variances of home sales, which historically peak during the summer and are weaker during the first and fourth quarters of each year;
- cyclical periods of slowdowns or recessions in the U.S. real estate market;
- our ability to increase market share;
- fluctuations in sale prices and transaction volumes in our top markets;
- the price of homes bought or sold by Redfin homebuyers and home sellers;
- price competition;
- volume of transactions in markets with a higher than average mean home price;
- mix of transactions;
- impairment charges associated with goodwill and other intangible assets;
- the timing and success of new offerings by us and our competitors;
- changes in local market conditions;
- changes in interest rates and the mortgage and credit markets;
- the time it takes new lead agents to become fully productive;

- changes in federal, state, or local laws or taxes that affect real estate transactions or residential brokerage, title insurance, and mortgage insurance industries;
- changes in multiple listing services, or MLSs, or other rules and regulations affecting the residential real estate industry; and
- any acquisitions of, or investments in, third-party technologies or businesses.

As a result of potential variations in our revenue and results of operations, period-to-period comparisons may not be meaningful and the results of any one period should not be relied on as an indication of future performance. In addition, our results of operations may not meet the expectations of investors or public market analysts who follow us, which may adversely affect our stock price.

Our business model and growth strategy depend on our ability to attract homebuyers and home sellers to our website and mobile application in a cost-effective manner.

Our success depends on our ability to attract homebuyers and home sellers to our website and mobile application in a cost-effective manner. Our website and mobile application are our primary channels for meeting customers. We rely heavily on organic traffic generated from search engines and other unpaid sources to meet customers. We use a variety of media in our marketing efforts, including online and television advertising and social media, to drive traffic. We intend to continue to invest resources in our marketing efforts.

We are heavily dependent on digital marketing initiatives such as search engine optimization to improve our website's search result ranking and generate new customer leads. We also rely on other marketing methods such as social media marketing, paid search advertising, and targeted email communications. Advertising platforms, such as Facebook, Google, and others, may raise their rates significantly, and we may choose to use alternative and less expensive channels, which may not be as effective at attracting homebuyers and home sellers to our website and mobile application. We also use television advertising, which may have significantly higher costs than other channels. In addition, we may be required to expand into or continue to invest in more expensive channels than those we are currently in, which could harm our business.

These marketing efforts may not succeed for a variety of reasons, including changes to search engine algorithms, ineffective campaigns across marketing channels, and limited experience in certain marketing channels like television. External factors beyond our control may also affect the success of our marketing initiatives, such as filtering of our targeted communications by email servers, homebuyers and home sellers failing to respond to our marketing initiatives, and competition from third parties. Any of these factors could reduce the number of homebuyers and home sellers to our website and mobile application. We also anticipate that our marketing efforts will become increasingly expensive as competition increases and we seek to expand our business in existing markets. Generating a meaningful return on our marketing initiatives may be difficult. If our strategies do not attract homebuyers and home sellers efficiently, our business and growth would be harmed. Even if we successfully increase revenue as a result of these efforts, that additional revenue may not offset the related expenses we incur.

We rely heavily on Internet search engines and mobile application stores to direct traffic to our website and our mobile application, respectively.

We rely heavily on Internet search engines, such as Google, Bing, and Yahoo!, to drive traffic to our website and on mobile application stores, such as Apple iTunes Store and the Android Play Store, for downloads of our mobile application. The number of visitors to our website and mobile

application downloads depends in large part on how and where our website and mobile application rank in Internet search results and mobile application stores, respectively. For example, when a user types a property address into an Internet search engine, we rely on that search engine to rank our webpages in the search results and to direct a user to the listing on our website. While we use search engine optimization to help our webpages rank highly in search results, maintaining our search result rankings is not within our control. Internet search engines frequently update and change their ranking algorithms, referral methodologies, or design layouts, which determine the placement and display of a user's search results. In some instances, Internet search engines may change these rankings in order to promote their own competing services or the services of one or more of our competitors. Similarly, mobile application stores can change how they display searches and how mobile applications are featured. For instance, editors at the Apple iTunes Store can feature prominently editor-curated mobile applications and cause the mobile application to appear larger than other applications or more visibly on a featured list. Listings on our website and mobile application have experienced fluctuations in search result and mobile application rankings in the past, and we anticipate fluctuations in the future. If our website or listings on our website fail to rank prominently in Internet search results, our website traffic could decline. Likewise, a decline in our website and mobile application traffic could reduce the number of customers for our services.

If we cannot obtain and provide to our customers comprehensive and accurate real estate listings quickly, or at all, our business will suffer.

Our ability to attract consumers to our website and mobile application is heavily dependent on our timely access to comprehensive and accurate real estate listings data. We get listings data primarily from MLSs in the markets we serve. We also source listings data from public records, other third-party listing providers, and individual homeowners and brokers. Many of our competitors and other real estate websites also have access to MLSs and other listings data, including proprietary data, and may be able to source listings data or other real estate information faster or more efficiently than we can. Since MLS participation is voluntary, brokers and homeowners may decline to post their listings data to their local MLS or may seek to change or limit the way that data is distributed. A competitor or another industry participant could also create an alternative listings data service, which may reduce the relevancy and comprehensive nature of the MLSs. If MLSs cease to be the predominant source of listings data in the markets that we serve, we may be unable to get access to comprehensive listings data on commercially reasonable terms, or at all, and we may be unable to provide timely listings to our customers.

If we do not comply with the rules, terms of service, and policies of MLSs, our access to and use of listings data may be restricted or terminated and harm our business.

We must comply with each MLS's rules, terms of service, and policies to access and use its listings data. Each of the more than 130 MLSs we belong to has adopted its own rules, terms of service, and policies governing, among other things, how MLS data may be used, and listings data must be displayed on our website and mobile application. These rules typically do not contemplate multi-jurisdictional online brokerages like ours and vary widely among markets. They also are in some cases inconsistent with the rules of other MLSs such that we are required to customize our website, mobile application, or service to accommodate differences between MLS rules. Complying with the rules of each MLS requires significant investment, including personnel, technology and development resources, other resources, and the exercise of considerable judgment. If we are deemed to be noncompliant with an MLS's rules, we may face disciplinary sanctions in that MLS, which could include monetary fines, restricting or terminating our access to that MLS's data, or other disciplinary measures. The loss or degradation of this listings data could materially and adversely affect traffic to our website and mobile application, making us less relevant to consumers and restricting our ability to attract customers. It also could reduce agent and customer confidence in our services and harm our business.

Our business model subjects us to challenges not faced by our competitors.

Unlike most of our brokerage competitors, we hire our lead agents as employees, rather than as independent contractors, and therefore we incur related costs that our brokerage competitors do not, such as base pay, employee benefits, expense reimbursement, training, and employee transactional support staff. We also continue to invest heavily in developing our technology, as well as new offerings. As a result, we have significant costs, some of which we incur in anticipation of future growth in revenue and market share. In the event of fluctuations in demand in the markets we serve, or significant reductions in home sales' prices, whether due to seasonality, cyclicality, changes in interest rates, fiscal policy, or other events, we will not be able to adjust our expenses as rapidly as many of our competitors, and our business would be harmed. Additionally, due to these costs, our lead agent turnover may be more costly to us than to traditional brokerages, and our business may be harmed if we are unable to achieve the necessary level of lead agent productivity and retention to offset their related costs.

Competition in the residential brokerage industry is intense and if we cannot compete effectively, our business will be harmed.

We face intense competition nationally and in each of the markets we serve. We compete primarily against other residential brokerages, which include operations affiliated with national or local brands and small independent brokerages. We also compete with a growing number of Internet-based residential brokerages and others who operate with non-traditional real estate business models. Competition with brokerages is particularly intense in some of the densely populated metropolitan markets we serve. To capture and retain market share, we must compete successfully against other brokerages, not only for customers, but also for high-performing lead agents and other critical employees.

The residential brokerage industry has low barriers to entry for new participants, including other technology-driven brokerages that offer lower commissions than the traditional pricing model. We may change our pricing strategies in response to a number of factors, including competitive pressures or in response to transaction volume fluctuations in particular markets we serve. As competitors introduce new offerings that compete with ours or reduce their commission rates, we may need to change our pricing strategies to compete effectively. Any such changes, particularly in the top-10 markets we serve, may affect our ability to compete successfully and harm our business.

Many of our brokerage competitors have substantial competitive advantages, such as longer operating histories, greater financial resources, stronger brand recognition, more management, sales, marketing and other resources, and extensive relationships with participants in the residential real estate industry, including third-party data providers such as MLSs. Consequently, these brokerages may have an advantage in recruiting and retaining agents, attracting consumers, acquiring customers, and growing their businesses. They may be able to provide consumers with offerings that are different from or superior to those we provide. They may also be acquired by third parties with greater resources than ours, which would further strengthen and enable them to compete more vigorously or broadly with us. The success of our competitors could result in our loss of market share and harm our business.

Our revenue may not continue to grow at its recent pace, or at all.

Our revenue may not continue to grow at the same pace as it has over the past several years. We believe that our future revenue growth will depend, among other factors, on our ability to:

- successfully expand and deepen our business and market share;
- respond to seasonality and cyclicality in the real estate industry and the U.S. economy;

- compete with the pricing and offerings of our competitors;
- attract more customers to our website and mobile application;
- successfully invest in developing technology, tools, features, and products;
- maintain high levels of customer service;
- maximize our lead agents' productivity;
- attract and retain high-quality lead agents;
- successfully contract with high-quality partner agents; and
- increase our brand awareness.

We may not be successful in our efforts to do any of the foregoing, and any failure to be successful in these matters could adversely affect our revenue growth. You should not consider our past revenue growth to be indicative of our future growth.

If we're not able to deliver a rewarding experience on mobile devices, whether through our mobile website or mobile application, we may be unable to attract and retain customers.

Developing and supporting a mobile website and mobile application across multiple operating systems and devices requires substantial time and resources. We may not be able to consistently provide a rewarding customer experience on mobile devices and, as a result, customers we meet through our mobile website or mobile application may not choose to use our brokerage services, or those of our partner agents, at the same rate as customers we meet through our website.

As new mobile devices and mobile operating systems are released, we may encounter problems in developing or supporting our mobile website or mobile application for them. Developing or supporting our mobile website or mobile application for new devices and their operating systems may require substantial time and resources. The success of our mobile website and mobile application could also be harmed by factors outside our control, such as:

- increased costs to develop, distribute, or maintain our mobile website or mobile application;
- changes to the terms of service or requirements of a mobile application store that requires us to change our mobile application development or features in an adverse manner; and
- changes in mobile operating systems, such as Apple's iOS and Google's Android, that disproportionately affect us, degrade the functionality of our mobile website or mobile application, require that we make costly upgrades to our offerings, or give preferential treatment to competitive websites or mobile applications.

Adverse developments in economic conditions could harm our business.

Our business is sensitive to general economic conditions that are outside our control. These conditions include interest rates, inflation, fluctuations in consumer confidence, fluctuations in equity and debt capital markets, availability of credit, and the strength of financial institutions, which are sensitive to changes in the general macroeconomic environment. A host of factors beyond our control

could cause fluctuations in these conditions, including the political environment, disruptions in an economically significant geographic region, or equity or debt markets, acts or threats of war, or terrorism, any of which could harm our business.

Our growth may be limited due to historically low home inventory levels.

Traditionally, a “balanced” residential real estate industry requires enough homes on the market to satisfy six months of homebuyer demand. In recent years, home inventory has remained at historically low levels in many parts of the United States. Low inventory levels can harm our ability to attract customers, inflate home prices, increase competition for homes, increase our operating expenses because of home touring and offer-writing activities that do not result in closed home purchases, and reduce transaction volumes. As a result, our customers may be unable to complete a sufficient number of real estate transactions to sustain or grow our transaction volume and revenue.

We may not be able to attract, retain, effectively train, motivate, and utilize lead agents.

As a result of our business model, our lead agents generally earn less on a per transaction basis than traditional agents, which may be unattractive to some agents. Because our model is uncommon in our industry, agents considering working for us may not understand our compensation model, or may not perceive it to be more attractive than the independent contractor, commission-driven compensation model used by most traditional brokerages. If we‘re unable to attract, retain, effectively train, motivate, and utilize lead agents, we will be unable to grow our revenue and we may be required to significantly increase our lead agent compensation or other costs, which could harm our business.

We are, and expect in the future to become, subject to an increasing variety of federal, state and local laws and regulations, many of which are continuously evolving, which increases our compliance costs and could subject us to claims or otherwise harm our business.

We are currently subject to a variety of, and may in the future become subject to, additional, federal, state, and local laws that are continuously changing, including laws related to: the real estate, brokerage, title, and mortgage industries; mobile- and Internet-based businesses; and data security, advertising, privacy and consumer protection laws. For instance, we are subject to federal laws such as the Fair Housing Act of 1968, or FHA, and the Real Estate Settlement Procedures Act of 1974. These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations.

In some cases, it is unclear as to how such laws and regulations affect us based on our business model that is unlike traditional brokerages, and the fact that those laws and regulations were created for traditional real estate brokerages. If we are unable to comply with and become liable for violations of these laws or regulations, or if unfavorable regulations or interpretations of existing regulations by courts or regulatory bodies are implemented, we could be directly harmed and forced to implement new measures to reduce our liability exposure. It could cause our operations in affected markets to become overly expensive, time consuming, or even impossible. This may require us to expend significant time, capital, managerial, and other resources to modify or discontinue certain operations, limiting our ability to execute our business strategies, deepen our presence in our existing markets, or expand into new markets. In addition, any negative exposure or liability could harm our brand and reputation. Any costs incurred as a result of this potential liability could harm our business.

Further, due to the geographic scope of our operations and the nature of the services we provide, we may be required to obtain and maintain additional real estate brokerage, title insurance

agency, and mortgage broker licenses in certain states where we operate. Additionally, if we enter new markets, we may be required to comply with new laws, regulations, and licensing requirements. As part of licensing requirements, we are typically required to designate individual licensees of record. We cannot assure you that we are, and will remain at all times, in full compliance with all real estate, title insurance, and mortgage licensing laws and regulations, and we may be subject to fines or penalties, including license revocation, for any non-compliance. If in the future a state agency were to determine that we are required to obtain additional licenses in that state in order to transact business, or if we lose an existing license or are otherwise found to be in violation of a law or regulation, our business operations in that state may be suspended until we obtain the license or otherwise remedy the compliance issue.

Our failure to comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage-related businesses in the jurisdictions in which we operate could adversely affect our business.

Redfin, as a brokerage, and our agents are required to comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage-related businesses in the markets where we operate. These laws and regulations contain general standards for and limitations on the conduct of real estate brokerages and agents, including those relating to licensing of brokerages and agents, fiduciary and agency duties, administration of trust funds, collection of commissions, advertising, and consumer disclosures. Under applicable laws and regulations, our agents, managing brokers, designated brokers, and other individual licensees have certain duties and are responsible for the conduct of real estate brokerage activities. If we or our agents fail to obtain or maintain the licenses and permits for conducting our brokerage business required by law or fail to conduct ourselves in accordance with the associated regulations, the relevant government authorities may order us to suspend relevant operations or impose fines or other penalties. There is no assurance that we will be able to obtain or renew these licenses in a timely manner, or at all.

We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business and financial condition.

We are from time to time involved in, and may in the future be subject to, claims, suits, government investigations, and proceedings arising from our business. We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage, or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies, damage awards, and penalties. Regardless of outcome, any such claims or actions could require significant time, money, managerial and other resources, result in negative publicity, and harm our business and financial condition. Such litigation and other proceedings may relate to:

- violations of laws and regulations governing the residential brokerage, title, or mortgage industries;
- employment law claims, including claims regarding worker misclassification;
- compliance with wage and hour regulations;
- privacy, cybersecurity incidents, and data breach claims;
- intellectual property disputes;
- consumer protection and fraud matters;

- brokerage disputes such as the failure to disclose hidden property defects, as well as other claims associated with failure to meet our client legal obligations, or incomplete or inaccurate listings data;
- claims that our agents or brokerage engage in discriminatory behavior in violation of the FHA;
- liability based on the conduct of individuals or entities outside of our control, such as independent contractor partner agents or independent contractor associate agents;
- disputes relating to our commercial relationships with third parties; and
- actions relating to claims alleging other violations of federal, state, or local laws and regulations.

In addition, class action lawsuits, such as the existing worker misclassification claims we face, can often be particularly vexatious litigation given the breadth of claims, the large potential damages claimed, and the significant costs of defense. The risks of litigation become magnified and the costs of settlement increase in class actions in which the courts grant partial or full certification of a large class. Also, insurance coverage may be unavailable for certain types of claims and, even where available, insurance carriers may dispute coverage for various reasons, including the cost of defense. Further, such insurance may not be sufficient to cover the losses we incur.

Any failure to maintain, protect, and enhance our brand could hurt our ability to grow our business, particularly in markets where we have limited brand recognition.

Maintaining, protecting, and enhancing our brand is critical to growing our business, particularly in markets where we have limited brand recognition and compete with well-known traditional brokerages with longer histories and established community presence. This will partially depend on our ability to continue to provide high-value, customer-oriented, and differentiated services, and we may not be able to do so effectively. Enhancing and maintaining the quality of our brand may require us to make substantial investments, such as in marketing and advertising, technology, and agent training. If we do not successfully build and maintain a strong brand, our business could be harmed. In addition, despite these investments, our brand could be damaged from other events that are or may be beyond our control, such as litigation and claims, our failure to comply with local laws and regulations, and illegal activity such as phishing scams or cybersecurity attacks targeted at us, our customers, or others.

In addition to our agents, we rely on a flexible network of licensed third-party associate agents to conduct customer home tours and field events, and their status as independent contractors is being challenged and may be challenged in the future.

We are currently defending three lawsuits, each of which includes class or representative claims. Although we have entered an agreement to settle these lawsuits, the settlement is subject to court approval and there is no assurance that the settlement will be approved. Further, we may from time to time be subject to additional lawsuits or administrative proceedings, claiming that certain of our independent contractor associate agents should be classified as our employees rather than as independent contractors. These lawsuits and proceedings typically seek substantial monetary damages (including claims for unpaid wages, overtime, unreimbursed business expenses, and other items), injunctive relief, or both. Adverse determinations in these matters could, among other things, require us to adopt certain changes in our business practices that are costly and time-consuming to implement, entitle our independent contractor associate agents to the benefit of wage and hour laws, and result in employment and withholding tax and benefit liabilities, as well as changes to the

independent contractor status of our other non-employee service providers. Regardless of the validity of these claims or their outcome, we have incurred, and anticipate incurring in the future, significant costs and efforts to defend against or settle them. In addition, if legislative and regulatory authorities take actions that classify our independent contractor service providers as employees, we would incur liabilities under a variety of laws and regulations, including tax, workers' compensation, unemployment benefits, labor, employment, and tort, including for prior periods, as well as potential liability for employee benefits and tax withholdings.

We are subject to an array of employment-related laws and regulations and failure to comply with these obligations could harm our business.

Our relationship with our employees is subject to various tax, wage and hour, unemployment, workers' compensation, right to organize, anti-discrimination, workplace safety, and other employment-related laws. Each state has its own unique wage and hour laws, which have been the subject of growing litigation nationwide. In addition, federal and state regulatory authorities have increasingly challenged the classification of workers as independent contractors rather than as employees. Legislators have also proposed legislation to make it easier to reclassify independent contractors as employees, including legislation to increase recordkeeping requirements for employers of independent contractors, and to abolish safe harbors allowing certain individuals to be treated as independent contractors. Federal agencies and each state have their own rules and tests for determining the classification of workers, as well as whether employees meet exemptions from minimum wages and overtime laws. These tests consider many factors that also vary from state to state and have evolved based on case law, regulations, and legislative changes and frequently involve factual analysis as well. We may face significant penalties and damages if we are found to be noncompliant with any of these laws and regulations.

Referring customers to our partner agents may harm our business.

We refer customers to third-party partner agents when we do not have a lead agent available due to high demand or geographic limitations. Our dependence on partner agents can be particularly heavy in certain new markets as we build our operations to scale in those markets. Our partner agents are independent licensed agents affiliated with other brokerages and we do not have any control over their actions. We may not be able to attract and retain quality partner agents, and they may not offer the high-quality customer service that we expect. If our partner agents were to provide diminished quality of customer service, engage in malfeasance, or otherwise violate the law, MLS or other broker rules and regulations, our reputation and business may be harmed. Improper actions involving our partner agents may also lead to direct legal claims against us based on agency, vicarious, or other theories of liability, which, if determined adversely, could increase our costs, affect the use of partner agents as part of our business model and subject us to liability for their actions, including revocation of our licenses and suspension of business operations. Our partner agents may also disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under our partner relationships. This could lead to disputes with our partner agents. To the extent we have such disputes, the attention of our management and our partner agents will be diverted, which may harm our business.

Additionally, referring customers to partner agents limits our growth and brand awareness because referring customers to partner agents potentially redirects repeat and referral opportunities to them. Referring customers to partner agents may also dilute the effectiveness of our marketing efforts and may lead to customer confusion or dissatisfaction when they are offered the opportunity to work with a partner agent rather than one of our lead agents. Nevertheless, retaining more customers than we are able to serve may affect customer satisfaction by overloading our lead agents and teams. If we are unable to allocate transactions between our lead agents and partner agents efficiently, and successfully contract with high-quality partner agents, our business may be harmed.

If our technology and development efforts are not successful, our business may be harmed.

We intend to continue investing significant resources in developing technology, tools, features, and products. If we do not spend our development budget efficiently or effectively on commercially successful and innovative technologies, we may not realize the expected benefits of our strategy. Moreover, technology development is inherently challenging and expensive, and the nature of development cycles may result in delays between the time we incur expenses and the time we make available new offerings and generate revenue, if any, from those investments. Anticipated customer demand for an offering we are developing could also decrease after the development cycle has commenced, and we would not be able to recoup substantial costs we incurred. In addition, there are many competitors in the markets we serve, including brokerages as well as non-brokerage real estate websites, and we may not be able to effectively compete both as a brokerage and a developer of technology. We cannot assure you that we will be able to identify, design, develop, implement, and utilize, in a timely and cost-effective manner, technologies necessary for us to compete effectively, that such technologies will be commercially successful, or that products and services developed by others will not render our offerings noncompetitive or obsolete. If we do not achieve the desired or anticipated customer acquisition and transaction efficiency leverage from our technology investments, our business may be harmed.

Our introduction of new services, such as originating and underwriting mortgage loans for customers and buying and selling homes directly, could fail to produce the desired or predicted results or harm our reputation.

From time to time, we develop new services. For example, in the first quarter of 2017, we began originating and underwriting mortgage loans for customers in Texas through our wholly owned subsidiary, Redfin Mortgage LLC, or Redfin Mortgage. Redfin Mortgage funds its loans using two separate warehouse credit facilities, intending to sell all loans to third-party financial institutions after a holding period. While Redfin Mortgage only originates loans upon receiving purchase commitments from third-party financial institutions, these commitments are subject to origination quality standards and these institutions still retain contractual rights to reject the loans. If Redfin Mortgage is unable to sell its loans, it may be required to repurchase them from the warehouse lenders and sell them at a discount.

In the first quarter of 2017, we also began testing an experimental new service called Redfin Now, where we buy homes directly from home sellers through a wholly owned subsidiary and resell them to homebuyers. Our estimates of what a home is worth and the algorithm we use to inform those estimates may not be accurate and we may pay more for homes than their resale value. In determining whether a particular property meets our purchase criteria, we make a number of additional assumptions, including the estimated time of possession, market conditions and proceeds on resale, renovation costs, and holding costs. These assumptions may not be accurate, particularly because properties vary widely in terms of quality, location, need for renovation, and property hazards. Unknown defects in any acquired properties may also affect their resale value. As a result, we may pay more to buy these properties than their resale value, and we may not be able to resell them as anticipated or at all. Homes that we own might suffer losses in value due to rapidly changing market conditions, natural disasters, or other forces outside our control.

We have limited experience operating businesses outside of our core brokerage and forecasting our revenue for any new service is inherently uncertain; our actual results may vary significantly from what we desire or predict. Additionally, our new services may fail to attract customers, reduce customer confidence in our services, undermine our customer-first reputation, create real or perceived conflicts of interest between us and our customers, expose us to increased market risks, subject us to claims related to undisclosed defects in homes that we sell, alleging that we

have breached our duties to our customers, or result in other disputes with our customers. Any of these events could harm our reputation or mean that such new services will harm our business.

New services that we introduce and implement, including our mortgage offering, may subject us to new laws and regulations.

From time to time, we may introduce and implement new services in highly regulated areas. For instance, our title and settlement services are subject to regulation by insurance and other regulatory authorities on the federal level and in each state in which we provide such services. Compliance with new and existing regulatory and compliance regimes is time consuming and may require significant time and effort, which may divert attention and resources from our other offerings.

Redfin Mortgage is subject to a wide array of stringent federal and state laws, regulations, and agency oversight. These include laws and regulations governing the relationship between us and Redfin Mortgage, the manner in which Redfin Mortgage conducts its loan origination and servicing businesses, the fees that it may charge, procedures relating to real estate settlement, fair lending, fair credit reporting, truth in lending, loan officer licensing, property valuation, escrow, payment processing, collection, foreclosure, and federal and state disclosure and licensing requirements. Redfin Mortgage receives, transmits and stores personally identifiable information from our customers to process mortgage applications and transactions. The sharing, use, disclosure, and protection of such information is governed by federal, state, and international laws regarding privacy and data security, all of which are constantly evolving. Changes to or a failure to comply with these laws and regulations could limit Redfin Mortgage's ability to originate and fund mortgage loans, require us to change our business practices, result in revocation or suspension of our licenses and subject us to significant civil and criminal penalties. Any such events could harm our business.

Homes that we own are also subject to federal, state, and local laws governing hazardous substances. These laws often impose liability without regard to whether the owner was responsible for, or aware of, the release of such hazardous substances. If we take title to a property, the presence of hazardous substances may adversely affect our ability to resell the property, and we may became liable to governmental entities or third parties for various fines, damages, or remediation costs.

If our current or future technology developments and service improvements do not meet customer or agent expectations, our business may be harmed.

Our technology-powered brokerage model is relatively new and unproven, and differs significantly from traditional residential brokerages. Our success depends on our ability to innovate and adapt our technology-powered brokerage to meet evolving industry standards and customer and agent expectations. We have expended, and expect to continue to expend, substantial time, capital, and other resources to understand the needs of customers and agents and to develop technology and service offerings to meet those needs. We cannot assure you that our current and future offerings will be satisfactory to or broadly accepted by customers and agents, or competitive with the offerings of other businesses. If our current or future offerings are unable to meet industry and customer and agent expectations in a timely and cost-effective manner, our business may be harmed.

We could be required to cease certain activities or incur substantial costs as a result of any claim of infringement of another party's intellectual property rights.

From time to time, we may receive claims from third parties, including our competitors, that our offerings or underlying technology infringe or violate that third party's intellectual property rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. If we are sued by a third party that claims our technology infringes on its rights, the litigation (with or without merit) could be expensive, time-consuming, and distracting to management.

The results of such disputes or litigation are difficult to predict. The results of any intellectual property litigation to which we might become a party may require us to do one or more of the following:

- cease offering or using technologies that incorporate the challenged intellectual property;
- make substantial payments for judgments, legal fees, settlement payments, ongoing royalties, or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to use the relevant technology; or
- redesign our technology to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us, such payments or costs could have an adverse effect on our business and financial results. Even if we were to prevail, such claims and proceedings could harm our business.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depends in part on our intellectual property. We primarily rely on a combination of patent, trademark, trade secret, and copyright laws, as well as confidentiality procedures and contractual restrictions with our employees, independent contractors and others to establish and protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate or we may be unable to secure intellectual property protection for all of our technology and methodologies.

If we are unable to protect our intellectual property, our competitors could use our intellectual property to market offerings similar to ours and our ability to compete effectively would be impaired. Moreover, others may independently develop technologies that are competitive to ours or infringe on our intellectual property. The enforcement of our intellectual property rights depends on our legal actions against these infringers being successful, but we cannot be sure these actions will be successful, even when our rights have been infringed. In addition, defending our intellectual property rights might entail significant expense and diversion of management resources. Any of our intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain and constantly changing. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing or misappropriating our intellectual property. Any intellectual property that we own may not provide us with competitive advantages or may be successfully challenged by third parties.

Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Litigation to protect and enforce our intellectual property rights could be expensive, time-consuming and distracting to management, and could ultimately result in the impairment or loss of portions of our intellectual property.

We employ third-party licensed technology, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which would harm our business.

Our technology employs certain third-party software obtained under licenses from other companies. We anticipate that we will continue to rely on such third-party software and tools in the

future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of our technology with new third-party software may require significant work and require substantial investment of our time and resources. Also, to the extent that our technology depends on the successful operation of third-party software, any undetected errors or defects in the third-party software could prevent the deployment or impair the functionality of our technology, delay new offerings, result in a failure of our website or mobile application, and harm our reputation. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties, which may not be available on commercially reasonable terms, or at all.

Some aspects of our technology include open source software, and any failure to comply with the terms of one or more of these open source licenses could harm our business.

Our technology incorporates software covered by open source licenses. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our technology. If portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies or otherwise be limited in our use of such software, each of which could reduce or eliminate the value of our technologies and harm our business. In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with use of open source software cannot be eliminated and, if such risks materialize, could harm our business.

Moreover, we cannot assure you that our processes for controlling our use of open source software will be effective. If we are held not to have complied with the terms of an applicable open source software license, we could be required to seek licenses from third parties to continue offering our services on terms that are not economically feasible, to re-engineer our technology to remove or replace the open source software, to discontinue the use of certain technology if re-engineering could not be accomplished on a timely basis, to pay monetary damages, to make generally available the source code for our proprietary technology, or to waive certain intellectual property rights, any of which could harm our business.

Responding to any infringement or other enforcement claim, regardless of its validity, could harm our business, results of operations, and financial condition, by, among other things:

- resulting in time-consuming and costly litigation;
- diverting management’s time and attention from developing our business;
- requiring us to pay monetary damages or enter into royalty and licensing agreements that we would not normally find acceptable;
- requiring us to redesign certain components of our software using alternative non-infringing source technology or practices, which could require significant effort and expense;
- disrupting our customer relationships if we are forced to cease offering certain services;
- requiring us to waive certain intellectual property rights associated with our release of open source software, or contributions to third-party open source projects;

- requiring us to disclose our software source code; and
- requiring us to satisfy indemnification obligations.

Our business depends on third-party network and mobile infrastructure and on our ability to maintain and scale the technology underlying our offerings.

Our brand, reputation, and ability to attract homebuyers and home sellers and provide our offerings depend on the reliable performance of third-party network and mobile infrastructure. As the number of homebuyers and home sellers, agents, and listings shared on our website and mobile application and the extent and types of data grow, our need for additional network capacity and computing power will also grow. Operating our underlying technology systems is expensive and complex, and we could experience operational failures. If we experience interruptions or failures in these systems, whether due to system failures, computer viruses, physical or electronic break-ins, attacks on domain name servers or other third parties on which we rely, or any other reason, the security and availability of our services and technologies could be affected. Any such event could harm our reputation, result in a loss of consumers, customers and agents using our offerings, and cause us to incur additional costs.

Our website is hosted at a single facility, the failure of which would harm our business.

Our website is hosted at a single facility in Seattle, Washington. We do not currently have a back-up web hosting facility in a different geographic area. Should this facility experience outages or downtimes for any reason, including a natural disaster or some other event, such as human error, fire, flood, power loss, telecommunications failure, physical or electronic break-ins, terrorist attacks, acts of war, and similar events, we could suffer a significant interruption of our website and mobile application, which would harm our business. In addition, our website and mobile application could be interrupted even if this facility experiences temporary outages, which could also negatively affect our services and harm our business.

Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, and harm our business.

Global cybersecurity threats and incidents directed at us or our third-party service providers can range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures known as advanced persistent threats. In the ordinary course of our business, we and our third-party service providers collect and store sensitive data, including our proprietary business information and intellectual property, and that of our customers, including personally identifiable information. Additionally, we rely increasingly on third-party providers to store and process data, and to communicate and work collaboratively. The secure processing, maintenance, and transmission of information are critical to our operations and we rely on the security procedures of these third-party providers. Although we employ comprehensive measures designed to prevent, detect, address, and mitigate these threats (including access controls, data encryption, vulnerability assessments, and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including personally identifiable information of our customers) and the disruption of business operations. Any such compromises to our security, or that of our third-party providers, could cause customers to lose trust and confidence in us, and stop using our website and mobile application in their entirety. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage, and compensation to customers and business partners. We may also be subject to legal claims, government investigation, and additional state and federal statutory requirements.

Our software is highly complex and may contain undetected errors.

The software and systems underlying our technology and offerings are highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after their implementation. Our development and testing processes may not be sufficient to ensure that we will not encounter technical problems. Any inefficiencies, errors, technical problems, or vulnerabilities discovered in our software and systems after release could reduce the quality of our services or interfere with our agents' and customers' access to and use of our technology and offerings. This could result in damage to our reputation, loss of revenue or liability for damages, any of which could harm our business.

Changes in privacy or consumer protection laws could adversely affect our ability to attract customers and harm our business.

We collect information relating to our customers as part of our business and marketing activities. The collection and use of personal data is governed by privacy laws and regulations of the United States and other jurisdictions. Privacy regulations continue to evolve and, occasionally, may be inconsistent from one jurisdiction to another. Compliance with applicable privacy regulations may increase our operating costs or adversely affect our ability to market our services and products and serve our customers. In addition, non-compliance with applicable privacy regulations by us, or a breach of security systems storing our data, may result in fines, payment of damages, or restrictions on our use or transfer of data.

In addition, we are subject to, and may become subject to additional, laws or regulations that restrict or prohibit use of emails, similar marketing or advertising activities or other types of communication that we currently rely on. Such laws and regulations currently include the CAN-SPAM Act of 2003 and similar laws adopted by a number of states to regulate unsolicited commercial emails; the U.S. Federal Trade Commission guidelines that impose responsibilities on companies with respect to communications with consumers; federal and state laws and regulations prohibiting unfair or deceptive acts or practices; and the Telephone Consumer Protection Act that limits certain uses of automatic dialing systems, artificial or prerecorded voice messages and SMS text messages. Any further restrictions under such laws that govern our marketing and advertising activities could adversely affect the effectiveness of our marketing and advertising activities or other customer communications. Furthermore, even if we can comply with existing or new laws and regulations, we may discontinue certain activities or communications if we become concerned that our customers or potential customers deem them intrusive or they otherwise adversely affect our reputation. If our marketing and advertising activities are restricted, our ability to attract customers could be adversely affected and harm our business.

If our promotional emails are not delivered and accepted, or are routed by email providers less favorably than other emails, our business may be harmed.

We rely on targeted email campaigns to generate customer interest in our products and services. If email providers implement new or more restrictive email delivery policies it may become more difficult to deliver emails to our customers. For example, certain email providers categorize commercial email as "promotional," and direct such emails to a less readily-accessible section of a customer's inbox. If email providers materially limit or halt the delivery of certain of our emails, or if we fail to deliver emails to customers in a manner compatible with email providers', email handling or authentication technologies, our ability to generate customer interest in our offerings using email may be restricted, which could harm our business.

We rely on business data to make business decisions and drive our machine-learning technology, and errors or inaccuracies in such data may adversely affect our business decisions and the customer experience.

We regularly analyze business data to evaluate growth trends, measure our performance, establish budgets, and make strategic decisions. Much of this data is internally generated and calculated and has not been independently verified. While our business decisions are based on what we believe to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring and interpreting the data, and we cannot be sure that the data, or the calculations using such data, are accurate. Errors or inaccuracies in the data could result in poor business decisions, resource allocation, or strategic initiatives. For instance, if we overestimate traffic to our website and mobile application, we may not invest an adequate amount of resources in attracting new customers or we may hire more lead agents in a given market than necessary to meet customer demand. If we make poor decisions based on erroneous or inaccurate data, our business may be harmed.

We use our business data and proprietary algorithms to inform our machine learning, such as in the calculation of our *Redfin Estimate*. If customers disagree with us or if our *Redfin Estimate* fails to accurately reflect market pricing such that we are unable to attract homebuyers or help our customers sell their homes at satisfactory prices, or at all, customers may lose confidence in us, and our brand and business may be harmed.

If we fail to effectively manage the growth of our operations, technology systems, and infrastructure to service customers and agents, our business could be harmed.

We have experienced rapid and significant growth in recent years that has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. For example, we have grown from 752 employees as of December 31, 2013 to 2,193 employees as of June 30, 2017. As we continue to grow, our success will depend on our ability to expand, maintain, and improve technology that supports our business operations, as well as our financial and management information systems, disclosure controls and procedures, internal controls over financial reporting, and to maintain effective cost controls. This requires us to commit substantial financial, operational and technical resources. Our ability to manage these efforts could be affected by many factors, including a lack of adequate staffing with the requisite expertise and training. If our operational technology is insufficient to reliably service our customers and agents, then the number of visitors to our website and mobile application could decrease, agents may not desire to work for us, our customer service and transaction volume could suffer, and our costs could increase. In addition, our reputation may be negatively affected. Any of these events could harm our business.

We depend on our senior management team to grow and operate our business, and if we are unable to hire, retain, manage, and motivate our key personnel, or if our new personnel do not perform as we anticipate, our business may be harmed.

Our future success depends on our continued ability to identify, hire, develop, manage, motivate, and retain qualified personnel, particularly those who have specialized skills and experience in technology fields and the residential brokerage industry. Further, we may not be able to retain the services of our key employees or other members of senior management in the future. In particular, we are highly dependent on Glenn Kelman, our Chief Executive Officer, who is critical to our business, consumer-focused mission, and strategic direction.

We do not have employment agreements other than offer letters with any employee, including our senior management team, and we do not maintain key person life insurance for any employee. Any changes in our senior management team may be disruptive to our business. If we fail to retain or

effectively replace members of our senior management team, or if our senior management team fails to work together effectively and to execute our plans and strategies, our business could be harmed.

Our growth strategy also depends on our ability to expand our organization by attracting and retaining high-quality personnel, particularly lead agents and experienced technical personnel. Identifying, recruiting, training, integrating, managing, and motivating talented individuals will require significant time, expense, and attention. Competition for talent is intense, particularly in many major markets we serve. In particular, hiring for technical personnel is highly competitive in Seattle and San Francisco, where substantially all of our technical team is located. If we are unable to effectively attract and retain qualified personnel, our business could be harmed.

Our dedication to our values and the customer experience may negatively influence our short-term financial results.

We have taken, and may continue to take, actions that we believe are in the best interests of customers and the long-term interests of our business, even if those actions do not necessarily maximize short-term financial results. For instance, we believe we could increase our profitability in the short term by engaging lead agents as independent contractors and compensating them on transaction value-based commissions, but instead we employ our lead agents and compensate them based in part on customer satisfaction. However, this approach may not result in the long-term benefits that we expect, in which case our business and results of operations could be harmed.

We may need to raise additional capital to grow our business and satisfy our anticipated future liquidity needs, and we may not be able to raise it on terms acceptable to us, or at all.

Growing and operating our business will require significant cash outlays, liquidity reserves and capital expenditures and commitments to respond to business challenges, including developing or enhancing new or existing services and technologies, and expanding our operating infrastructure. If cash on hand, cash generated from operations, and the net proceeds from this offering are not sufficient to meet our cash and liquidity needs, we may need to seek additional capital, potentially through debt or equity financings. We may not be able to raise needed cash on terms acceptable to us, or at all. Such financings may be on terms that are dilutive or potentially dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the initial public offering price of this offering or the then-current market price per share of our common stock. The holders of new securities may also have rights, preferences, or privileges that are senior to those of existing stockholders. If new financing sources are required, but are insufficient or unavailable, we may need to modify our growth and operating plans and business strategies based on available funding, if any, which would harm our ability to grow our business.

We intend to evaluate acquisitions or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from, and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.

As part of our business strategy, we evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third-party technologies and businesses. We may be unable to identify suitable acquisition candidates in the future or to make these acquisitions on a commercially reasonable basis, or at all. Any transactions that we enter into could be material to our financial condition and results of operations. Such acquisitions may not result in the intended benefits to our business, and we may not successfully evaluate or utilize the acquired technology, offerings, or personnel, or accurately forecast the financial effect of an acquisition transaction. The process of

integrating an acquired company, business, technology, or personnel into our own company is subject to various risks and challenges, including:

- diverting management time and focus from operating our business to acquisition integration;
- disrupting our respective ongoing business operations;
- customer and industry acceptance of the acquired company's offerings;
- our ability to implement or remediate the controls, procedures, and policies of the acquired company;
- retaining and integrating acquired employees;
- failing to maintain important business relationships and contracts;
- liability for activities of the acquired company before the acquisition;
- litigation or other claims arising in connection with the acquired company;
- impairment charges associated with goodwill and other acquired intangible assets; and
- other unforeseen operating difficulties and expenditures.

Our failure to address these risks or other problems we encounter with our future acquisitions and investments could cause us to not realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and harm our business.

We will incur increased costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives.

As a public company, particularly after we are no longer an emerging growth company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and rules subsequently implemented by the U.S. Securities and Exchange Commission, or SEC, and The NASDAQ Stock Market, or NASDAQ, have imposed various requirements on public companies, including establishing and maintaining effective disclosure and financial controls and corporate governance practices. Our management and other personnel have limited experience operating a public company, which may result in operational inefficiencies or errors, or a failure to improve or maintain effective internal control over financial reporting and disclosure controls and procedures necessary to ensure timely and accurate reporting of operational and financial results. We may need to hire additional personnel, and our existing management team will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we will be required to furnish a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be

engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated financial statements.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and divert management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that being a public company and complying with applicable rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantially higher costs to obtain and maintain the same or similar coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors.

Our ability to use net operating losses to offset future taxable income may be limited.

As of December 31, 2016, we had federal net operating loss carryforwards, or NOLs, we may use to reduce future taxable income or offset income taxes due. The NOLs start expiring in 2025. Insufficient future taxable income will adversely affect our ability to deploy these NOLs and credit carryforwards. In addition, under Section 382 of the U.S. Internal Revenue Code of 1986, as amended, or the Code, a corporation that experiences a more-than 50% ownership change over a three-year testing period is limited in its ability to use its pre-change NOLs and other tax assets to offset future taxable income or income taxes due. Our existing NOLs and credit carryforwards may be subject to limitations arising from previous ownership changes; if we undergo an ownership change in connection with or after this offering, then our ability to use our NOLs and credit carryforwards could be further limited by Section 382 of the Code. Future changes in our stock ownership, the causes of which may be outside our control, could result in an ownership change under Section 382 of the Code. Our NOLs may also be impaired under state law. As a result of these limitations, we may not be able to utilize a material portion of, or possibly any of, the NOLs and credit carryforwards.

Catastrophic events may disrupt our business.

Natural disasters or other catastrophic events may damage or disrupt our operations, local and regional real estate markets, or the U.S. economy, and thus could harm our business. Our headquarters is located in Seattle, Washington, an earthquake-prone area. A natural disaster or

catastrophic event in Seattle could interrupt our engineering and financial functions and impair access to internal systems, documents, and equipment critical to the operation of our business. Many of the major markets we serve, such as the San Francisco Bay Area and Southern California, are also located in earthquake zones and are susceptible to natural disasters. Additionally, other significant natural disasters or catastrophic events in any of the major markets we serve could harm our business.

As we grow, the need for business continuity planning and disaster recovery plans will become increasingly important. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business could be harmed.

We could be subject to significant losses if banks do not honor our escrow and trust deposits.

Through Title Forward, our title and settlement services business, we act as an escrow agent for numerous customers. As an escrow agent, we receive money from customers to hold until certain conditions are satisfied. These funds are held as restricted cash on our balance sheet; because we do not have rights to the cash, a corresponding customer deposit liability in the same amount is recognized in our consolidated balance sheets in other payables. Upon the satisfaction of the applicable conditions, we release the money to the appropriate party. Although we deposit this money with various banks, we remain contingently liable for the disposition of these deposits. The banks may hold a significant amount of these deposits in excess of the federal deposit insurance limit. If any of our depository banks were to become unable to honor any portion of our deposits, customers could seek to hold us responsible for such amounts and, if the customers prevailed in their claims, we could be subject to significant losses.

Risks Relating to This Offering and Ownership of Our Common Stock

There has been no prior public market for our common stock, the stock price of our common stock may be volatile or may decline regardless of our performance, and you may not be able to resell your shares at or above the initial public offering price.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock will be determined through negotiations among the underwriters and us, and may vary from the market price of our common stock following this offering. The market prices of the securities of newly public companies have historically been highly volatile. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets and the performance of technology or real estate companies in particular;
- variations in our results of operations, cash flows, and other financial metrics andnon-financial metrics, and how those results compare to analyst expectations;
- changes in the financial projections we may provide to the public or our failure to meet those projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- recruitment or departure of key personnel;

- variations in general market, financial markets, economic, and political conditions in the United States;
- changes in mortgage interest rates;
- variations in the housing market, including seasonal trends and fluctuations;
- negative publicity related to the real or perceived quality of our website and mobile application, as well as the failure to timely launch new products and services that gain market acceptance;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant technical innovations, new business models, or changes in pricing;
- acquisitions, strategic partnerships, joint ventures, or capital commitments;
- new laws, regulations, or executive orders, or new interpretations of existing laws or regulations applicable to our business;
- changes in MLS or other broker rules and regulations, or new interpretations of rules and regulations applicable to our business;
- lawsuits threatened or filed against us, or unfavorable determinations or settlements in any such suits;
- developments or disputes concerning our intellectual property or our technology, or third-party proprietary rights;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events;
- the expiration of contractual lock-up or market standoff agreements; and
- sales of shares of our common stock by us or our stockholders.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, and technology companies in particular, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and harm our business.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We

do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease covering us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Because the initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price is substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our common stock in this offering, based on the midpoint of the price range set forth on the cover page of this prospectus, and the issuance of shares of common stock in this offering, you will experience immediate dilution of $ per share, the difference between the price per share you pay for our common stock and its pro forma net tangible book value per share as of March 31, 2017. Furthermore, if the underwriters exercise their option to purchase additional shares, if outstanding stock options are exercised, if we issue awards to our employees under our equity incentive plans, or if we otherwise issue additional shares of our common stock, you could experience further dilution. See “Dilution” for additional information.

Sales of a substantial number of shares of our common stock may cause the price of our common stock to decline.

Based on shares outstanding as of , 2017, upon completion of this offering, we will have outstanding a total of shares of common stock. Of these shares, only the shares of common stock sold in this offering, or shares if the underwriters exercise their option to purchase additional shares in full, will be freely tradable, without restriction, in the public market immediately after the offering. Each of our officers, directors and substantially all of our securityholders, have entered into lock-up agreements with the underwriters that restrict their ability to sell or transfer their shares. The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus. However, our underwriters may, in their sole discretion, permit our officers, directors and other current stockholders who are subject to the contractual lock-up to sell shares prior to the expiration of the lock-up agreements. After the lock-up agreements expire, based on shares outstanding as of , 2017, up to an additional shares of common stock will be eligible for sale in the public market, approximately of which are held by our officers, directors and their affiliated entities, and will be subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements. In addition, shares of our common stock that are subject to outstanding options as of , 2017 and shares of our common stock that are subject to options granted after , 2017 will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, the lock-up agreements, and Rules 144 and 701 under the Securities Act.

After this offering, the holders of an aggregate of shares of our outstanding common stock as of , 2017 will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. We also intend to register shares of common stock that we may issue under our equity incentive plans. Once we register these shares, they will be able to be sold freely in the public market upon issuance, subject to the 180-day lock-up period under the lock-up agreements described above and below in “Underwriting.”

We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our common stock. However, future sales of

substantial amounts of our common stock in the public market, including shares issued on exercise of outstanding options, or the perception that such sales may occur, could adversely affect the market price of our common stock.

We also expect that significant additional capital may be needed in the future to continue our planned operations. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

We will have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described below in "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations, and prospects could be harmed, and the market price of our common stock could decline. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government that may not generate a high yield to our stockholders.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We currently anticipate that for the foreseeable future we will retain all of our future earnings for the development, operation and growth of our business and for general corporate purposes. Any future determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Our executive officers, directors, principal stockholders and their affiliates will continue to exercise significant influence over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

As of , 2017, our executive officers, directors, five percent or greater stockholders and their respective affiliates owned in the aggregate approximately % of our capital stock and, upon completion of this offering, that same group will hold in the aggregate approximately % of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares, no exercise of outstanding options, and no purchases of shares in this offering by any members of this group), in each case assuming the conversion of all outstanding shares of our redeemable convertible preferred stock into shares of our common stock immediately prior to the closing of this offering.

As a result, after this offering these stockholders will continue to have the ability to influence us through this ownership position even if they do not purchase any additional shares in this offering. These stockholders may be able to determine all matters requiring stockholder approval. For example,

these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

We are an emerging growth company, and intend to take advantage of reduced disclosure requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or JOBS Act. We will remain an emerging growth company until the earliest to occur of (1) the last day of the fiscal year in which we have total annual gross revenue of $1.07 billion or more; (2) December 31, 2022 (the last day of the fiscal year ending after the fifth anniversary of the date of the completion of this offering); (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; or (4) the date we qualify as a "large accelerated filer" under the rules of the SEC, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis);
- being permitted to present only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus;
- reduced disclosure about executive compensation arrangements; and
- exemptions from the requirements to obtain a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute arrangements not previously approved.

We may take advantage of some, but not all, of the available exemptions described above. We have taken advantage of reduced reporting burdens in this prospectus. In particular, we have not included all of the executive compensation information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Provisions in our corporate charter documents and under Delaware or Washington law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our restated certificate of incorporation and our restated bylaws that will become effective immediately prior to the completion of this offering may discourage, delay, or prevent a merger, acquisition, or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan, also known as a "poison pill";
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Moreover, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the

transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Likewise, because our principal executive offices are located in Washington, the anti-takeover provisions of the Washington Business Corporation Act may apply to us under certain circumstances now or in the future. These provisions prohibit a "target corporation" from engaging in any of a broad range of business combinations with any stockholder constituting an "acquiring person" for a period of five years following the date on which the stockholder became an "acquiring person."

Any of these provisions of our charter documents or Delaware or Washington law could, under certain circumstances, depress the market price of our common stock. See "Description of Capital Stock."

Our restated certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or agents.

Our restated certificate of incorporation that will become effective immediately prior to the completion of this offering will provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware, or the Court of Chancery, will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees, or agents to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, our restated certificate of incorporation or our restated bylaws or any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein and the claim not being one that is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery or for which the Court of Chancery does not have subject matter jurisdiction. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our restated certificate of incorporation.

This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees, or agents, which may discourage such lawsuits against us and our directors, officers, employees, and agents even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision of our restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have an adverse effect on our business, financial condition or results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements contained in this prospectus other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth and trends, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “potentially,” “likely,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described under “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely on forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this prospectus or to conform these statements to actual results or revised expectations.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

INDUSTRY AND MARKET DATA AND CALCULATION OF NPS AND KEY BUSINESS METRICS

Industry and Market Data

This prospectus includes data, forecasts, and information obtained from independent trade associations, industry publications, government agencies, surveys conducted by third parties and commissioned by or conducted by us, and other information available to us. The National Association of REALTORS®, or NAR, is the primary source for third-party industry data. In addition, we have used third-party industry data from the National Association of Home Builders, the National Bureau of Economic Research, the U.S. Census Bureau, and certain other sources, as well as general economic data from the U.S. Department of Labor. While we believe that the industry data presented in this prospectus is derived from the most widely recognized sources for reporting U.S. residential real estate market statistical data, we do not endorse or suggest reliance on this data alone.

Certain information included in this prospectus concerning our industry and the markets we serve, including our market share, are also based on our good-faith estimates derived from management's knowledge of the industry and other information currently available to us. We regularly conduct or commission studies of homebuyers and home sellers, and have also used providers that provide panels to take third-party surveys that we design. We believe these internal company surveys and estimates are reliable, but such information involves a number of assumptions and limitations, and no independent sources have verified such surveys and estimates.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied on therein.

While we are not aware of any misstatements regarding the industry, survey or research data provided herein, our estimates involve risks and uncertainties and are subject to change based upon various factors, including those discussed under "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Calculation of NPS and Key Business Metrics

Net Promoter Score

Net Promoter Score, or NPS, is a measure of customer satisfaction that was developed by Bain and Co. It measures satisfaction using a scale of zero to 10 based on a customer's response to the following question: "How likely is it that you would recommend Redfin to a friend or colleague?" Responses of 9 or 10 are considered "Promoters." Responses of 7 or 8 are considered neutral. Responses of 6 or less are considered "Detractors." The NPS, a percentage expressed as a numerical value, is calculated by subtracting the percentage of respondents who are Detractors from the percentage who are Promoters and dividing that number by the total number of respondents. The NPS calculation gives no weight to customers who decline to answer the survey question.

Our NPS score of 50 was measured by a study we commissioned in May 2017, surveying people who bought or sold a home in the past year, tried to buy or sell a home in the past year, or plan to buy or sell a home in the next year. The survey measured respondents who used a Redfin real estate agent and respondents who used a non-Redfin real estate agent, and compared the results regarding Redfin real estate agents against the results regarding real estate agents at competitive real estate brokerage firms.

Monthly Average Visitors

When we refer to “monthly average visitors” for a particular period, we are referring to the average number of unique visitors to our website and mobile application for each of the months in that period, as measured by Google Analytics, a product that provides digital marketing intelligence. Visitors are tracked by Google Analytics using cookies, with a unique cookie being assigned to each browser or mobile application on a device. For any given month, we count all of the unique cookies that visited our website or either our iOS or Android mobile application during that month; each such unique cookie is a unique visitor. If a person accesses our website using different web browsers within a given month, each web browser has a unique cookie that is counted by Google Analytics as a separate visitor for that month. If a person accesses our mobile application using different devices within a given month, each such mobile device is counted as a separate visitor for that month. If the same person accesses our website using an anonymous browser, or clears or resets cookies on their device, each access with a new cookie is counted as a new unique visitor for that month. If more than one person accesses our website from the same browser or our mobile application from the same device, this is counted as one unique visitor for that month.

Real Estate Transactions

We include a single transaction twice when we or our partner agents serve both the homebuyer and home seller of a transaction.

Real Estate Revenue per Real Estate Transaction

We calculate real estate revenue per real estate transaction by dividing brokerage, partner, or aggregate revenue, as applicable, by the corresponding number of real estate transactions in any period.

Aggregate Home Value of Real Estate Transactions

We include the value of a single transaction twice when we or our partner agents serve both the homebuyer and home seller of a transaction.

U.S. Market Share by Value

We calculate the aggregate value of U.S. home sales by multiplying the total number of U.S. home sales by the mean sale price of these sales, each as reported by NAR. We calculate our market share by aggregating the home value of real estate transactions conducted by our lead agents or our partner agents. Then, in order to account for both the sell- and buy-side components of each transaction, we divide that value by two-times the estimated aggregate value of U.S. home sales.

Average Number of Lead Agents

We calculate the average number of lead agents by taking the average of the number of lead agents at the end of each month included in the period.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of common stock in this offering will be approximately $ million, based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses. If the underwriters exercise their option to purchase additional shares of our common stock in full, we estimate that our net proceeds would be approximately $ million, after deducting the estimated underwriting discount and estimated offering expenses.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds that we receive from this offering by approximately $ million, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount. Each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) the net proceeds that we receive from this offering by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discount.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock, and provide access to the public equity markets for us and our stockholders. We intend to use the net proceeds that we receive from this offering for working capital and other general corporate purposes, including technology and development and marketing activities, general and administrative matters, and capital expenditures. We may also use a portion of the net proceeds to invest in or acquire third-party businesses, products, services, technologies, or other assets. However, we do not currently have any definitive or preliminary plans with respect to the use of proceeds for such purposes.

We currently have no specific plans for the use of the net proceeds that we receive from this offering. Accordingly, we will have broad discretion in using these proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds. Pending their use as described above, we plan to invest the net proceeds in short-term, interest-bearing obligations, investment-grade instruments, money market accounts, certificates of deposit, or direct or guaranteed obligations of the U.S. government.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We do not expect to pay dividends on our capital stock for the foreseeable future. Instead, we anticipate that all of our earnings for the foreseeable future will be used for the development, operation and growth of our business. Any future determination to declare cash dividends would be subject to the discretion of our board of directors and would depend on various factors, including our results of operations, financial condition, and capital requirements, restrictions that may be imposed by applicable law, and other factors deemed relevant by our board of directors.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, and short-term investments and capitalization as of March 31, 2017 on:

- an actual basis;
- a pro forma basis to give effect to (1) the automatic conversion of all shares of our redeemable convertible preferred stock outstanding as of March 31, 2017 into 166,266,114 shares of our common stock, which will occur on the completion of this offering, and (2) the filing and effectiveness of our restated certificate of incorporation; and
- a pro forma as adjusted basis to give effect to the adjustments described above and the sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses.

You should read this table together with our consolidated financial statements and related notes, "Selected Consolidated Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," each included elsewhere in this prospectus.

	March 31, 2017		
	Actual	Pro Forma	Pro Forma as Adjusted(1)
	(in thousands, except share and per share data)		
Cash, cash equivalents, and short-term investments	$ 37,959	$ 37,959	$
Redeemable convertible preferred stock, par value $0.001 per share; 166,266,114 shares authorized, 166,266,114 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$ 680,186	$ —	$ —
Stockholders' equity (deficit):			
Preferred stock, par value $0.001 per share; no shares authorized, issued and outstanding, actual; shares authorized and no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Common stock, par value $0.001 per share; 290,081,638 shares authorized, 44,652,140 shares issued and outstanding, actual; shares authorized, 210,918,254 shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	45	211	
Additional paid-in capital	—	208,777	
Accumulated deficit	(613,309)	(142,066)	
Total stockholders' equity (deficit)	(613,264)	66,922	
Total capitalization	$ 66,922	$ 66,922	$

(1) The pro forma as adjusted information below is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted cash, cash equivalents, and short-term investments, additional paid-in capital, total stockholders' equity, and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discount. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted cash, cash equivalents, and short-term investments, additional paid-in capital, total

stockholders' equity, and total capitalization by approximately $ million, assuming that the assumed initial public offering price, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount. If the underwriters exercise their option to purchase additional shares of our common stock in full, the pro forma as adjusted amount of each of cash, cash equivalents, and short-term investments, additional paid-in capital, total stockholders' equity and total capitalization would increase by approximately $ million, after deducting the estimated underwriting discount, and we would have shares of our common stock issued and outstanding, pro forma as adjusted.

The number of shares of our common stock to be outstanding after this offering is based on 210,918,254 shares of our common stock outstanding as of March 31, 2017, and excludes:

- 39,068,334 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2017, with a weighted-average exercise price of $1.97 per share;
- 3,145,090 shares of our common stock issuable upon exercise of options granted between April 1, 2017 and June 28, 2017, with an exercise price of $3.60 per share; and
- shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) shares of our common stock reserved for future issuance under our Amended and Restated 2004 Equity Incentive Plan, which shares will be added to the shares to be reserved under our 2017 Equity Incentive Plan in connection with this offering, and (2) shares of our common stock reserved for future issuance under our 2017 Equity Incentive Plan, which will become effective in connection with this offering.

DILUTION

If you invest in our common stock in this offering, your interest will be diluted immediately to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

Our pro forma net tangible book value as of March 31, 2017 was $ million, or $ per share of common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding as of March 31, 2017, after giving effect to the automatic conversion of all shares of our redeemable convertible preferred stock outstanding as of March 31, 2017 into 166,266,114 shares of our common stock.

Pro forma as adjusted net tangible book value per share reflects the pro forma adjustments described above and the sale by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses. Our pro forma as adjusted net tangible book value as of March 31, 2017 would have been $ million, or $ per share. This amount represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of $ per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of March 31, 2017	$	
Increase in pro forma net tangible book value per share attributable to new investors purchasing in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution in pro forma net tangible book value per share to investors in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ and would increase (decrease) dilution per share to investors in this offering by $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discount. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted net tangible book value by $ and would decrease (increase) dilution per share to investors by $, assuming that the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discount.

If the underwriters exercise their option to purchase additional shares of our common stock in full, the pro forma as adjusted net tangible book value per share after this offering would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share of our common stock.

The following table presents, on a pro forma as adjusted basis as described above, as of March 31, 2017, the differences between our existing stockholders and new investors purchasing shares of our common stock in this offering, with respect to the number of shares purchased from us, the total consideration paid to us, and the average price per share paid by our existing stockholders or to be paid to us by new investors purchasing shares in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discount and estimated offering expenses.

	Shares Purchased(1)		Total Consideration(1)		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
Investors in this offering					
Totals		100.0%	$	100.0%	

(1) To the extent that any outstanding stock options are exercised, investors participating in this offering will experience further dilution. Assuming the exercise of all of our outstanding options as of March 31, 2017, existing stockholders will have purchased shares, or % of the shares purchased from us, for approximately $ million. Shares purchased by investors participating in this offering would represent shares, or % of the shares purchased from us, for approximately $ million.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and increase (decrease) the percent of total consideration paid by new investors by %, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock. If the underwriters exercise their option to purchase additional shares of our common stock in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock to be outstanding after this offering is based on 210,918,254 shares of our common stock outstanding as of March 31, 2017, and excludes:

- 39,068,334 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2017, with a weighted-average exercise price of $1.97 per share;
- 3,145,090 shares of our common stock issuable upon exercise of options granted between April 1, 2017 and June 28, 2017, with an exercise price of $3.60 per share; and
- shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) shares of our common stock reserved for future issuance under our Amended and Restated 2004 Equity Incentive Plan, which shares will be added to the shares to be reserved under our 2017 Equity Incentive Plan in connection with this offering, and (2) shares of our common stock reserved for future issuance under our 2017 Equity Incentive Plan, which will become effective in connection with this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. We derived our selected consolidated statements of operations data for the years ended December 31, 2014, 2015, and 2016, and our selected consolidated balance sheet data as of December 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of December 31, 2014 is derived from our audited consolidated financial statements that are not included in this prospectus. We derived our selected consolidated statements of operations data for the three months ended March 31, 2016 and 2017 and our selected consolidated balance sheet data as of March 31, 2017 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. Our unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, on the same basis as our audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal, recurring adjustments, that are necessary for the fair presentation of our consolidated financial position as of March 31, 2017 and our consolidated results of operations for the three months ended March 31, 2016 and 2017. Our historical results are not necessarily indicative of the results to be expected in the future, and the results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year or any other period. You should read the following selected consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the accompanying notes and other financial information included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(in thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 125,363	$ 187,338	$ 267,196	$ 41,636	$ 59,868
Cost of revenue(1)	93,272	138,492	184,452	38,505	53,492
Gross profit	32,091	48,846	82,744	3,131	6,376
Operating expenses:					
Technology and development(1)	17,876	27,842	34,588	7,898	9,672
Marketing(1)	15,058	19,899	28,571	9,211	10,459
General and administrative(1)	24,240	31,394	42,369	10,385	14,367
Total operating expenses	57,174	79,135	105,528	27,494	34,498
Income (loss) from operations	(25,083)	(30,289)	(22,784)	(24,363)	(28,122)
Interest income and other income, net:					
Interest income	23	46	173	47	43
Other income, net	24	7	85	37	13
Total interest income and other income, net	47	53	258	84	56
Income (loss) before tax benefit (expense)	(25,036)	(30,236)	(22,526)	(24,279)	(28,066)
Income tax benefit (expense)	306	—	—	—	—
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(in thousands, except share and per share data)				
Accretion of redeemable convertible preferred stock	(101,251)	(102,224)	(55,502)	(5,212)	(24,770)
Net income (loss) attributable to common stock—basic and diluted	$ (125,981)	$ (132,460)	$ (78,028)	$ (29,491)	$ (52,836)
Net income (loss) per share attributable to common stock—basic and diluted(2)	$ (3.92)	$ (3.29)	$ (1.81)	$ (0.69)	$ (1.19)
Weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted(2)	32,150,025	40,249,762	43,185,844	42,710,904	44,303,191
Pro forma net income (loss) per share attributable to common stock —basic and diluted (unaudited)(2)			$ (0.11)		$ (0.13)
Pro forma weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted (unaudited)			209,451,958		210,569,305

(1) Includes stock-based compensation as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(in thousands)				
Cost of revenue	$ 1,280	$ 1,440	$ 2,266	$ 518	$ 714
Technology and development	962	1,375	2,383	539	731
Marketing	237	298	469	110	119
General and administrative	2,717	2,449	3,295	654	1,117
Total	$ 5,196	$ 5,562	$ 8,413	$ 1,821	$ 2,681

(2) See Note 8 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net income (loss) per share attributable to common stock, basic and diluted, and pro forma net income (loss) per share attributable to common stock, basic and diluted.

	As of December 31,			As of March 31,
	2014	2015	2016	2017
	(in thousands)			
Consolidated Balance Sheet Data:				
Cash, cash equivalents, and short-term investments	$ 112,127	$ 87,341	$ 65,779	$ 37,959
Working capital	106,196	83,234	60,445	32,686
Total assets	142,113	125,054	133,477	116,907
Redeemable convertible preferred stock	497,699	599,914	655,416	680,186
Total stockholders' equity (deficit)	(370,595)	(495,713)	(563,734)	(613,264)

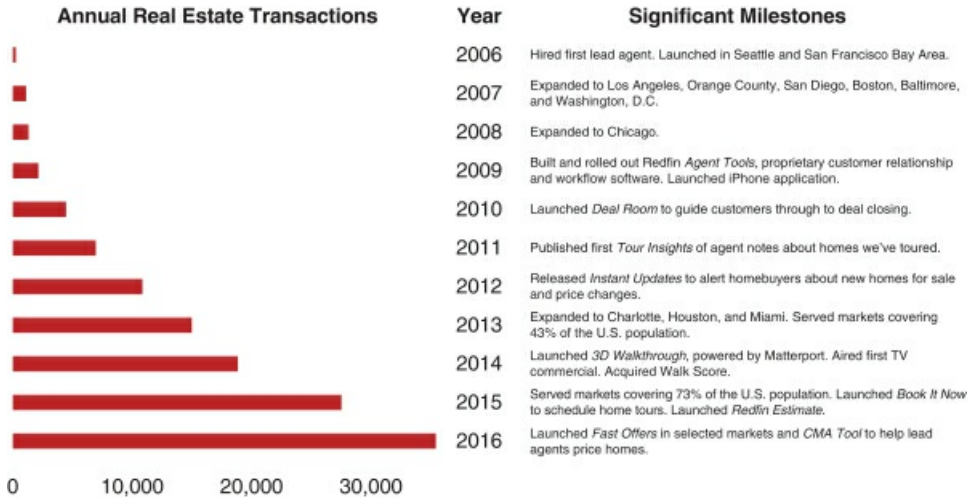
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our "Selected Consolidated Financial Data" and our consolidated financial statements, the accompanying notes, and other financial information included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties, such as our plans, estimates, and beliefs. Our actual results could differ materially from those forward-looking statements below. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed under "Risk Factors" included elsewhere in this prospectus.

Overview

Redfin is a technology-powered, residential real estate brokerage. We represent people buying and selling homes in over 80 markets throughout the United States. Our mission is to redefine real estate in the consumer's favor. In a commission-driven industry, we put the customer first. We do this by pairing our own agents with our own technology to create a service that is faster, better, and costs less.

We've been advocating for customers for over 10 years. Our progress has been marked by technology-driven innovation and market expansion:



Our revenue model is straightforward. We employ lead agents supported by internal teams, who help customers buy and sell homes. We earn commissions when those transactions close. In some cases, we introduce customers to pre-approved, third-party agents through our Redfin Partner Program. These partner agents pay us a fee when they close a referred transaction.

We derive substantially all of our revenue when customers buy and sell homes. Our key revenue components are:

- *Brokerage Revenue.* We earn brokerage revenue from commissions we receive from representing homebuyers. Traditional brokerage buy-side commissions typically range

from 2.5% to 3% of a home's sale price, depending on the market. We typically return a portion of this commission to our homebuyer through a commission refund or closing-cost reduction. We recognize the remaining commission amount as revenue. We also earn revenue from commissions we receive from representing home sellers. Typical traditional brokerage sell-side commissions range from 2.5% to 3% of a home's sale price. Our sell-side commissions, which we recognize as revenue, are typically 1% to 1.5% of a home's sale price, depending on the market and subject to market-by-market minimums.

- *Partner Revenue.* Through the Redfin Partner Program, we refer customers to partner agents when we do not have a lead agent available to serve the customer due to high demand or geographic limitations. Partner agents pay us a fee representing a portion of the commission they receive when they close a referred transaction. We give a portion of this referral fee to the customer in certain circumstances and recognize the remaining amount as revenue.

- *Other Revenue.* We offer services beyond helping customers buy and sell homes. For example, we currently provide title and settlement services in eight states and we also license data and analytics from Walk Score, our neighborhood walk-ability tool. We will consider new offerings going forward that further our goal of redefining the industry. To date, other revenue has not been material.

We strive to be frugal with every expense, including capital expenditures and stock-based compensation. At the same time, we intend to continue to thoughtfully invest for long-term growth, with a focus on growing share in the markets we currently serve. We've invested, and expect to continue to invest, in marketing to promote the Redfin brand and in technology development to make the homebuying and home selling experience better and faster for our customers and our agents, while continuing to lower costs for our customers.

Our growth has been significant. For the three months ended March 31, 2016 and 2017, we generated revenue of $41.6 million and $59.9 million, respectively, representing year-over-year growth of 44%. For the three months ended March 31, 2016 and 2017, we generated net losses of $24.3 million and $28.1 million, respectively.

For the years ended December 31, 2014, 2015, and 2016, we generated revenue of $125.4 million, $187.3 million, and $267.2 million, respectively, representing annual growth of 37%, 49%, and 43%, respectively. We generated net losses of $24.7 million, $30.2 million, and $22.5 million for the years ended December 31, 2014, 2015, and 2016, respectively.

Key Business Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key metrics to evaluate our business, develop financial forecasts, and make strategic decisions. For information about the methodologies we use to calculate our key business metrics, please see "Industry and Market Data and Calculation of NPS and Key Business Metrics."

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
Monthly average visitors (in thousands)	8,720	11,705	16,215	13,987	20,162
Real estate transactions:					
Brokerage	12,688	18,586	25,868	4,005	5,692
Partner	6,144	8,906	9,482	1,936	2,041
Total	18,832	27,492	35,350	5,941	7,733
Real estate revenue per real estate transaction:					
Brokerage	$ 9,119	$ 9,215	$ 9,436	$ 9,485	$ 9,570
Partner	993	1,142	1,719	1,224	1,911
Aggregate	6,468	6,600	7,366	6,793	7,548
Aggregate home value of real estate transactions (in millions)	8,412	12,296	16,199	2,599	3,470
U.S. market share by value	0.33%	0.44%	0.54%	0.48%	0.58%
Revenue from top-10 Redfin markets as a percentage of real estate revenue	80%	76%	72%	71%	68%
Average number of lead agents	422	591	763	743	935

Monthly Average Visitors

The number of, and growth in, visitors to our website and mobile application are important leading indicators of our business activity because these channels are the primary ways we meet and serve customers. For a particular period, monthly average visitors refers to the average of the number of unique visitors to our website and mobile application for each of the months in that period. Monthly average visitors are influenced by market conditions that affect interest in buying or selling homes, the level and success of our marketing programs, and seasonality. We believe we can continue to increase monthly visitors, which allows us to grow.

Given the lengthy process to purchase or sell a home, a visitor during one month may not convert to a revenue-generating customer until many months later, if at all.

Real Estate Transactions

Increasing the number of real estate transactions in which we or our partner agents represent homebuyers and home sellers is critical to increasing our revenue and, in turn, to achieving profitability. Real estate transactions are influenced by pricing for our services as well as market conditions that affect home sales, such as local inventory levels and mortgage interest rates. Real estate transactions are also affected by seasonality and macroeconomic factors.

Real Estate Revenue per Real Estate Transaction

Real estate revenue per real estate transaction, together with the number of real estate transactions, is a factor in evaluating business growth and determining pricing. Changes in revenue per real estate transaction can be affected by our pricing, the mix of transactions for homebuyers and home sellers, changes in the value of homes in the markets we serve, the geographic mix of our

transactions, and the transactions we refer to partner agents. We generally generate more real estate revenue per brokerage transaction from representing homebuyers than home sellers.

From 2014 through 2016, brokerage transactions for home sellers as a percentage of brokerage transactions increased from slightly over 20% to slightly over 30%. We expect brokerage transactions for home sellers to comprise a greater portion of our brokerage transactions over time as we continue to focus on listings as a strategic asset that provides benefits beyond the revenue we generate from home sellers. For example, we believe that increased listings draw more homebuyers to our website and mobile application.

Aggregate Home Value of Real Estate Transactions

The aggregate home value of real estate transactions completed by our lead agents and the transactions we refer to partner agents is an important indicator of the health of our business because our revenue is based on a percentage of each home's sale price. This metric is affected by changes in home values in the markets we serve and by changes in the number of customers who use our services as well as seasonality and macroeconomic factors.

U.S. Market Share by Value

Increasing our U.S. market share by value is critical to our ability to grow our business and achieve profitability over the long term. We believe there is a significant opportunity to increase our share in the markets we currently serve.

Revenue from Top-10 Markets as a Percentage of Real Estate Revenue

Our top-10 markets by real estate revenue are the metropolitan areas of Boston, Chicago, Los Angeles, Maryland, Orange County, Portland, San Diego, San Francisco, Seattle, and Virginia. We plan to continue to diversify our growth into the future and to increase our market share in our newer markets. We expect our revenue from top-10 markets to decline as a percentage of our real estate revenue over time.

Average Number of Lead Agents

The average number of lead agents, in combination with our other key metrics such as the number of brokerage transactions, is a measure of agent productivity and is an indicator of the potential future growth of our business. We systematically evaluate traffic to our website and mobile application and customer activity to anticipate changes in customer demand to determine when and where to hire lead agents.

Our lead agents are employees who receive a salary, variable transaction bonuses based on customer satisfaction and transaction value, benefits, and expense reimbursement. Base pay represented approximately 27% of total lead agent cash compensation in 2016.

Market Cohorts

Our growth strategy is based on our belief that, as we gain local market share, our brand awareness and ability to provide efficient service in each market we serve will increase, which will, in turn, promote additional market share gains and further efficiencies in those markets. To demonstrate progress in the more than 80 markets we serve, we group markets in which we began operating in similar timeframes into three cohorts that illustrate this cycle. We chose this grouping of markets so the total market transaction value is similar across the cohorts.

We have gained market share, increased revenue, increased real estate revenue per brokerage transaction, and increased real estate gross margin in all of the cohorts in each of the years presented. From year-to-year, our market share gains have been largely consistent within cohorts.

Our first cohort primarily consists of major metropolitan areas, such as Seattle, San Francisco, Los Angeles, Boston, Washington, D.C., and Chicago. Our second and third cohorts primarily consist of smaller metropolitan areas, such as Sacramento, Portland, and Raleigh in our second cohort, and Minneapolis, Cincinnati, Nashville, and Kansas City in our third cohort. A number of factors may limit our ability to replicate our financial results of our first cohort in our other two cohorts, including that the mean home sale price in our earliest cohort of markets is significantly higher than the mean home price in the later two cohorts. As a result, we cannot ensure that we will experience similar financial outcomes from our later cohorts or in any future markets we may serve. However, we believe the continued market share growth trend in our earliest cohort demonstrates possible revenue growth rate and margin trends over time as our newer markets mature.

	Cohort of Markets Opened in Years		
	2006-2008	2009-2013	2014-2016
Number of markets	10	19	55
2016 completed market transactions (in billions)	$ 328	$ 319	$ 265
2016 mean home sale price	$ 530,617	$ 313,180	$ 245,684
Market share by value:			
2014	1.15%	0.29%	0.02%
2015	1.41	0.39	0.10
2016	1.66	0.47	0.20
Real estate revenue (in thousands):			
2014	$ 97,801	$ 23,268	$ 735
2015	136,261	37,786	7,399
2016	186,922	55,334	18,127
Real estate revenue per brokerage transaction:			
2014	$ 9,590	$ 7,561	$ 6,790
2015	9,889	7,791	6,815
2016	10,208	8,026	7,389
Real estate cost of revenue (in thousands):			
2014	$ 69,055	$ 19,099	$ 1,466
2015	94,740	28,804	7,978
2016	122,439	39,367	14,602
Real estate gross profit (in thousands):			
2014	$ 28,747	$ 4,168	$ (731)
2015	41,522	8,981	(579)
2016	64,483	15,967	3,525
Real estate gross margin:			
2014	29.4%	17.9%	N.M.
2015	30.5	23.8	(7.8)%
2016	34.5	28.9	19.4

Factors Affecting Performance

Seasonality

Residential real estate is a highly seasonal business. While individual markets may vary, transaction volume typically increases progressively from January through the summer months and then declines gradually over the last three to four months of the calendar year. We experience the most significant financial effect from this seasonality in the first and fourth quarters of each year, when our revenue is typically lower relative to the second and third quarters. However, because we employ

our lead agents and a portion of their compensation is fixed, we do not experience a proportional decrease in our expenses during such lower seasonal periods, which negatively affects our results of operations.

Cyclicality

The residential real estate industry is cyclical and, when economic conditions are favorable, the real estate industry tends to perform well. When the economy is weak, if interest rates dramatically increase, if mortgage lending standards tighten, or if there are economic or political disturbances, the residential real estate industry tends to perform poorly. Our revenue growth rate tends to increase as the real estate industry performs well, and to decrease as it performs poorly.

Ability to Gain Market Share

Our ability to gain market share in the markets we serve will be influenced by our ability to compete in each individual market. The residential real estate industry is subject to local dynamics, as each market has its own characteristics, and individual agents tend to focus on certain neighborhoods within these markets. Many of our competitors have agents with long-standing reputations and relationships in individual markets and may have specialized expertise related to local dynamics that our agents may not. Our market share growth will be influenced by our ability to compete in individual, local neighborhoods. Given the varying characteristics of each market, gains in any individual market are difficult to predict and not all of our markets will have the same challenges or rewards.

Pricing

Delivering a better customer experience at a lower cost than our competitors is a fundamental tenet of our strategy. We believe that in the long run our technology-powered residential brokerage model will further drive efficiencies that continue to reduce costs. From time to time, we adjust pricing after considering market conditions, the balance of profitability against customer savings, and other factors. Based on prior pricing changes, we believe that home sellers are more sensitive to pricing than homebuyers.

Agent Productivity and Partner Mix

We hire lead agents in anticipation of customer demand, so we have the necessary capacity of trained lead agents to help homebuyers and home sellers. We manage the capacity of our lead agents, as we want them to be busy working with customers but not so busy that customer satisfaction declines. As we hire lead agents, we also add staffing to support these agents. We adjust staffing levels in each market we serve, but also transactional support from a national hub located in the greater Chicago area, letting us re-allocate support staff to the markets that need it most, which creates some economies of scale.

The Redfin Partner Program is designed to moderate the effects of industry seasonality and cyclicality. We adjust the portion of customers who are served by partner agents in each of the markets we serve to maintain an effective balance between capacity utilization and customer service. Rather than countering seasonal and cyclical changes in demand by hiring a surplus of lead agents in each neighborhood, we rely on partners to handle demand swings.

Investments in Technology and Marketing

We have invested, and intend to continue to invest, in developing technology, tools, features, and products that provide targeted and useful real estate information to customers, manage their real

estate transactions, originate mortgages, and make our lead agents and internal teams more efficient. In addition, we will continue to invest in marketing to increase our market share in the markets we serve. Any investments we make in these areas will occur before we experience benefits, if any, from the investments. Further, the effectiveness of these efforts may be difficult to measure.

Components of Our Results of Operations

Revenue

We generate revenue primarily from commissions and fees charged on real estate transactions closed by us or partner agents, as well as from other services we provide.

Real Estate Revenue

Brokerage Revenue. Brokerage revenue consists of commissions earned on real estate transactions closed by our lead agents. We recognize commission-based revenue on the closing of a transaction, less the amount of any commission refund or any closing-cost reduction, commission discount, or transaction fee adjustment. Brokerage revenue is affected by the number of real estate transactions we close, the mix of brokerage transactions, home sale prices, commission rates, and the amount we give to customers.

Partner Revenue. Partner revenue consists of fees partner agents pay us when they close referred transactions, less the amount of any payments we make to customers. We recognize these fees as revenue on the closing of a transaction. Partner revenue is affected by the number of partner transactions closed, home sale prices, commission rates, and the amount we give to customers.

Other Revenue

Other revenue consists of fees charged for title and settlement services, mortgage banking operations, marketing services provided to home builders by our builder services group, licensing and analytics fees from our Walk Score service, homes sold by Redfin Now, and other services. Revenue is recognized when the service is provided.

Cost of Revenue and Gross Margin

Cost of revenue consists primarily of personnel costs (including base pay and benefits), stock-based compensation, transaction bonuses, home touring and field expenses, listing expenses, business expenses, facilities expenses, and, for Redfin Now, the cost of homes including the purchase price and capitalized improvements. We expect cost of revenue to continue to rise, but more slowly than revenue, as we hire more lead agents and support staff in response to anticipated customer demand.

Gross profit is revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our gross margin has and will continue to be affected by a number of factors, including real estate revenue per real estate transaction and the productivity of our lead agents and support staff. We expect gross margin to continue to rise over time to the extent we gain efficiencies through technology and operations.

Operating Expenses

Technology and Development

Technology and development expenses relate primarily to developing new software used by our customers and internal teams, making enhancements to our existing software, and maintaining and improving our website and mobile application. These expenses consist primarily of personnel costs, stock-based compensation, data licenses, software, and equipment, and infrastructure such as for data centers and hosted services. Technology and development expenses also include amortization of capitalized internal-use software and website and mobile application development costs. We expect technology and development expenses to continue to increase in absolute dollars as we hire more software developers. We anticipate technology and development expenses as a percentage of revenue to decrease over time.

Marketing

Marketing expenses consist primarily of media costs for online and traditional advertising, as well as personnel costs and stock-based compensation. We expect marketing expenses to increase in absolute dollars as we expand advertising programs. We anticipate marketing expenses as a percentage of revenue to decrease over time.

General and Administrative

General and administrative expenses consist primarily of personnel costs, stock-based compensation, facilities, and related expenses for our executive, finance, human resources, facilities and legal organizations, and fees for professional services. Professional services are principally comprised of external legal, audit, and tax services. We expect general and administrative expenses to increase in absolute dollars due to the anticipated growth of our business and to meet the increased compliance requirements associated with our transition to, and operation as, a public company. We anticipate general and administrative expenses as a percentage of revenue to decrease over time.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our revenue for those periods. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in thousands)		
Revenue	$ 125,363	$ 187,338	$ 267,196	$ 41,636	$ 59,868
Cost of revenue(1)	93,272	138,492	184,452	38,505	53,492
Gross profit	32,091	48,846	82,744	3,131	6,376
Operating expenses:					
Technology and development(1)	17,876	27,842	34,588	7,898	9,672
Marketing(1)	15,058	19,899	28,571	9,211	10,459
General and administrative(1)	24,240	31,394	42,369	10,385	14,367
Total operating expenses	57,174	79,135	105,528	27,494	34,498
Income (loss) from operations	(25,083)	(30,289)	(22,784)	(24,363)	(28,122)
Total interest income and other income, net	47	53	258	84	56
Income (loss) before tax benefit (expense)	(25,036)	(30,236)	(22,526)	(24,279)	(28,066)
Income tax benefit (expense)	306	—	—	—	—
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)

(1) Includes stock-based compensation as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in thousands)		
Cost of revenue	$ 1,280	$ 1,440	$ 2,266	$ 518	$ 714
Technology and development	962	1,375	2,383	539	731
Marketing	237	298	469	110	119
General and administrative	2,717	2,449	3,295	654	1,117
Total	$ 5,196	$ 5,562	$ 8,413	$ 1,821	$ 2,681

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(as a percentage of revenue)				
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue(1)	74.4	73.9	69.0	92.5	89.3
Gross profit	25.6	26.1	31.0	7.5	10.7
Operating expenses:					
Technology and development(1)	14.3	14.9	12.9	19.0	16.2
Marketing(1)	12.0	10.6	10.7	22.1	17.5
General and administrative(1)	19.3	16.8	15.9	24.9	24.0
Total operating expenses	45.6	42.2	39.5	66.0	57.7
Income (loss) from operations	(20.0)	(16.2)	(8.5)	(58.5)	(47.0)
Total interest income and other income, net	—	—	0.1	0.2	0.1
Income (loss) before tax benefit (expense)	(20.0)	(16.1)	(8.4)	(58.3)	(46.9)
Income tax benefit (expense)	0.2	—	—	—	—
Net income (loss)	(19.7)%	(16.1)%	(8.4)%	(58.3)%	(46.9)%

(1) Includes stock-based compensation as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
	(as a percentage of revenue)				
Cost of revenue	1.0%	0.8%	0.8%	1.2%	1.2%
Technology and development	0.8	0.7	0.9	1.3	1.2
Marketing	0.2	0.2	0.2	0.3	0.2
General and administrative	2.1	1.3	1.2	1.6	1.9
Total	4.1%	3.0%	3.1%	4.4%	4.5%

Comparison of the Three Months Ended March 31, 2016 and 2017

Revenue

	Three Months Ended March 31,		Change	
	2016	2017	Dollars	Percentage
	(in thousands, except percentages)			
Real estate revenue:				
Brokerage revenue	$ 37,988	$ 54,471	$ 16,483	43%
Partner revenue	2,370	3,900	1,530	65
Total real estate revenue	40,358	58,371	18,013	45
Other revenue	1,278	1,497	219	17
Revenue	$ 41,636	$ 59,868	$ 18,232	44
Percentage of revenue				
Real estate revenue:				
Brokerage	91.2%	91.0%		
Partner revenue	5.7	6.5		
Total real estate revenue	96.9	97.5		
Other revenue	3.1	2.5		
Revenue	100.0%	100.0%		

In the three months ended March 31, 2017, revenue increased by $18.2 million, or 44%, as compared with the same period in 2016. Brokerage revenue represented $16.5 million, or 90%, of the increase. Brokerage revenue grew 43% during the period, driven by a 42% increase in brokerage real estate transactions and a 1% increase in real estate revenue per brokerage transaction. The increase in brokerage transactions was attributable to higher levels of customer awareness of Redfin and increasing customer demand and market share in most of our markets.

In early 2016, we changed the pricing and structure of the Redfin Partner Program. Instead of paying 15% of the commissions partner agents earned through the program to us, partner agents began paying us 30%. At the same time, we began directly issuing a $500 check to certain partner program customers, partially offsetting the increase in referral fees paid by partner agents. These changes to our partner program positively affected our real estate revenue per partner transaction in the latter part of the three months ended March 31, 2016, and were fully reflected in the three months ended March 31, 2017. We do not expect a large year-over-year increase in real estate revenue per partner transaction for the three months ended June 30, 2017.

In late 2016, we reduced our sell-side commission from 1.5% to 1% in Seattle, Chicago, and Denver. We offset this price change in part by reducing our buy-side commission refund or closing-cost adjustment in these three markets. Also in late 2016, we reduced the average buy-side commission refund or closing-cost adjustment by approximately $200 in the markets we served other than Seattle, Chicago, and Denver. The effect of these changes was reflected in our 2017 results, as transactions reflecting these new pricing policies began to close.

Cost of Revenue and Gross Margin

	Three Months Ended March 31,		Change	
	2016	2017	Dollars	Percentage
	(in thousands, except percentages)			
Cost of revenue	$ 38,505	$ 53,492	$ 14,987	39%
Gross profit	$ 3,131	$ 6,376	$ 3,245	104
Percentage of revenue				
Gross margin	7.5%	10.7%		

In the three months ended March 31, 2017, cost of revenue increased by $15.0 million, or 39%, as compared with the same period in 2016. This increase in cost of revenue was primarily attributable to a $6.3 million increase in personnel costs due to increased lead agent and related support staff headcount, a $3.2 million increase in transaction bonuses, and a $2.5 million increase in home touring and field costs.

Gross margin increased 313 basis points for the three months ended March 31, 2017 as compared with the same period in 2016. This was primarily attributable to a 231 basis point reduction in personnel costs and a 90 basis point reduction in home touring and field costs, each as a percentage of revenue.

Operating Expenses

	Three Months Ended March 31,		Change	
	2016	2017	Dollars	Percentage
	(in thousands, except percentages)			
Technology and development	$ 7,898	$ 9,672	$ 1,774	22%
Marketing	9,211	10,459	1,248	14
General and administrative	10,385	14,367	3,982	38
Total operating expenses	$ 27,494	$ 34,498	$ 7,004	25
Percentage of revenue				
Technology and development	19.0%	16.1%		
Marketing	22.1	17.5		
General and administrative	24.9	24.0		
Total operating expenses	66.0%	57.6%		

In the three months ended March 31, 2017, technology and development expenses increased by $1.8 million, or 22%, as compared with the same period in 2016. The increase was primarily attributable to a $1.6 million increase in personnel costs and stock-based compensation due to increased headcount. The increase was also due to a $0.5 million increase in office and occupancy expenses. The increase was partially offset by a $0.4 million decrease due to depreciation and the capitalization of software development costs.

In the three months ended March 31, 2017, marketing expenses increased by $1.2 million, or 14%, as compared with the same period in 2016. The increase was primarily attributable to a $0.9 million increase in marketing media costs as we expanded advertising.

In the three months ended March 31, 2017, general and administrative expenses increased by $4.0 million, or 38%, as compared with the same period in 2016. The increase was attributable to a $1.8 million increase in personnel costs and stock-based compensation, largely the result of increases in headcount to support continued growth, a $1.0 million increase in contract services, and a $0.6 million increase in occupancy and office expenses.

Comparison of the Years Ended December 31, 2015 and 2016

Revenue

	Year Ended December 31,		Change	
	2015	2016	Dollars	Percentage
	(in thousands, except percentages)			
Real estate revenue:				
Brokerage revenue	$ 171,276	$ 244,079	$ 72,803	43%
Partner revenue	10,170	16,304	6,134	60
Total real estate revenue	181,446	260,383	78,937	44
Other revenue	5,892	6,813	921	16
Revenue	$ 187,338	$ 267,196	$ 79,858	43
Percentage of revenue				
Real estate revenue:				
Brokerage	91.5%	91.4%		
Partner revenue	5.4	6.1		
Total real estate revenue	96.9	97.5		
Other revenue	3.1	2.5		
Revenue	100.0%	100.0%		

In 2016, revenue increased by $79.9 million, or 43%, as compared with 2015. Brokerage revenue represented $72.8 million, or 91%, of the increase. Brokerage revenue also grew 43% during the period, driven by a 39% increase in brokerage real estate transactions and a 2% increase in real estate revenue per brokerage transaction. The increase in brokerage transactions was attributable to higher levels of customer awareness of Redfin and increasing customer demand and market share in most of our markets.

In late 2015, we reduced the amount of our average commission refund or closing-cost adjustment by approximately $550. This change in pricing positively affected our real estate revenue per brokerage transaction in early 2016 as those transactions began to close. In early 2016, we changed pricing and the structure of the Redfin Partner Program. Instead of paying 15% of the commissions partner agents earned through the program to us, partner agents began paying us 30%. At the same time, we began directly issuing a $500 check to certain partner program customers, partially offsetting the increase in referral fees paid by partner agents. These changes to our partner program positively affected our real estate revenue per partner transaction in 2016.

Cost of Revenue and Gross Margin

	Year Ended December 31,		Change	
	2015	2016	Dollars	Percentage
	(in thousands, except percentages)			
Cost of revenue	$ 138,492	$ 184,452	$ 45,960	33%
Gross profit	$ 48,846	$ 82,744	$ 33,898	69
Percentage of revenue				
Gross margin	26.1%	31.0%		

In 2016, cost of revenue increased by $46.0 million, or 33%, as compared with 2015. This increase in cost of revenue was primarily attributable to a $17.9 million increase in personnel costs due to increased lead agent and related support staff headcount, a $13.3 million increase in transaction bonuses, and a $8.1 million increase in home touring and field costs.

Gross margin increased 489 basis points for 2016 as compared with 2015. This was primarily attributable to a 253 basis point reduction in personnel costs and a 77 basis point reduction in home touring and field costs as a percentage of revenue.

Operating Expenses

	Year Ended December 31,		Change	
	2015	2016	Dollars	Percentage
	(in thousands, except percentages)			
Technology and development	$ 27,842	$ 34,588	$ 6,746	24%
Marketing	19,899	28,571	8,672	44
General and administrative	31,394	42,369	10,975	35
Total operating expenses	$ 79,135	$ 105,528	$ 26,393	33
Percentage of revenue				
Technology and development	14.9%	12.9%		
Marketing	10.6	10.7		
General and administrative	16.7	15.9		
Total operating expenses	42.2%	39.5%		

In 2016, technology and development expenses increased by $6.7 million, or 24%, as compared with 2015. The increase was primarily attributable to a $5.4 million increase in personnel costs and stock-based compensation due to increased headcount. The increase was also due to a $0.9 million increase in office and occupancy expenses. The increase was partially offset by a $0.3 million decrease due to reduced use of contract software developers.

In 2016, marketing expenses increased by $8.7 million, or 44%, as compared with 2015. The increase was primarily attributable to a $9.4 million increase in marketing media costs as we expanded advertising, partially offset by a $0.9 million decrease in personnel costs.

In 2016, general and administrative expenses increased by $11.0 million, or 35%, as compared with 2015. The increase was attributable to a $4.5 million increase in personnel costs, largely the result of increases in headcount to support continued growth and a $1.0 million increase in occupancy and office expenses. Included in the 2016 expenses is $1.8 million related to the proposed settlement of three lawsuits, as described in Note 10 to our consolidated financial statements included elsewhere in this prospectus.

Comparison of the Years Ended December 31, 2014 and 2015

Revenue

	Year Ended December 31,		Change	
	2014	2015	Dollars	Percentage
	(in thousands, except percentages)			
Real estate revenue:				
Brokerage revenue	$ 115,701	$ 171,276	$ 55,575	48%
Partner revenue	6,103	10,170	4,067	67
Total real estate revenue	121,804	181,446	59,642	49
Other revenue	3,559	5,892	2,333	66
Revenue	$ 125,363	$ 187,338	$ 61,975	49
Percentage of revenue				
Real estate revenue:				
Brokerage revenue	92.3%	91.4%		
Partner revenue	4.9	5.4		
Total real estate revenue	97.2	96.9		
Other revenue	2.8	3.1		
Revenue	100.0%	100.0%		

In 2015, revenue increased by $62.0 million, or 49%, as compared with 2014. Brokerage revenue was responsible for $55.6 million, or 90%, of this increase. Brokerage revenue grew 48% during the year, primarily attributable to a 47% increase in brokerage transactions and a 1% increase in real estate revenue per brokerage transaction. The increase in brokerage transactions was primarily attributable to higher levels of customer awareness of Redfin and increasing customer demand and market share in most of our markets.

In late 2014, we reduced our sell-side commission from 1.5% to 1% in Washington, D.C., Virginia, and Maryland with the goal of increasing sell-side demand in these markets. We offset this price change in part by reducing our commission refund or closing-cost adjustment in these three markets. Also in late 2014, we reduced the average commission refund or closing-cost adjustment by approximately $300 in the markets we served other than Washington, D.C., Virginia, and Maryland.

The effect of these changes was reflected in our 2015 results, as transactions reflecting these new pricing policies began to close.

Cost of Revenue and Gross Margin

	Year Ended December 31,		Change	
	2014	2015	Dollars	Percentage
	(in thousands, except percentages)			
Cost of revenue	$ 93,272	$ 138,492	$ 45,220	48%
Gross profit	$ 32,091	$ 48,846	$ 16,755	52
Percentage of revenue				
Gross margin	25.6%	26.1%		

In 2015, cost of revenue increased $45.2 million, or 48%, as compared with 2014. This increase in cost of revenue was primarily attributable to an $18.1 million increase in personnel costs due to increased lead agent and related support staff headcount, a $12.9 million increase in transaction bonuses, and a $7.7 million increase in home touring and field costs.

Gross margin increased 48 basis points for 2015 as compared with 2014. This was primarily attributable to an 85 basis point reduction in personnel costs, a 46 basis point reduction in occupancy and office expenses, and a 33 basis point reduction in operating expenses as a percentage of revenue. This was partially offset by a 119 basis point increase in transaction bonuses as a percentage of revenue.

Operating Expenses

	Year Ended December 31,		Change	
	2014	2015	Dollars	Percentage
	(in thousands, except percentages)			
Technology and development	$ 17,876	$ 27,842	$ 9,966	56%
Marketing	15,058	19,899	4,841	32
General and administrative	24,240	31,394	7,154	30
Total operating expenses	$ 57,174	$ 79,135	$ 21,961	38
Percentage of revenue				
Technology and development	14.3%	14.9%		
Marketing	12.0	10.6		
General and administrative	19.3	16.8		
Total operating expenses	45.6%	42.2%		

In 2015, technology and development expenses increased by $10.0 million, or 56%, as compared with 2014. The increase was primarily attributable to a $7.5 million increase in personnel costs due to increased headcount as we continued to build technology for customers and our internal teams. Amortization expense related to our internal-use software increased by $1.1 million.

In 2015, marketing expenses increased by $4.8 million, or 32%, as compared with 2014. The increase was primarily attributable to a $3.5 million increase in marketing media costs as we expanded advertising.

In 2015, general and administrative expenses increased by $7.2 million, or 30%, as compared with 2014. The increase was primarily attributable to a $4.6 million increase in personnel costs, largely the result of increases in headcount to support the continued growth of our business. Outside professional services expenses increased by $1.5 million.

Quarterly Results of Operations and Key Business Metrics

The following tables set forth our unaudited quarterly statements of operations data for each of the nine quarters in the period ended March 31, 2017, as well as the percentage that each line item represents of our revenue for each quarter presented. The information for each quarter has been prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus, and reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for a fair presentation of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following quarterly financial data should be read in conjunction with our audited consolidated financial statements included elsewhere in this prospectus.

Quarterly Results

	Three Months Ended								
	Mar. 31, 2015	June 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017
	(in thousands)								
Revenue	$ 28,831	$ 55,164	$ 57,610	$ 45,733	$ 41,636	$ 77,714	$ 81,064	$ 66,782	$ 59,868
Cost of revenue(1)	27,962	37,346	38,166	35,018	38,505	50,303	50,147	45,497	53,492
Gross profit	869	17,818	19,444	10,715	3,131	27,411	30,917	21,285	6,376
Operating expenses:									
Technology and development(1)	5,770	7,150	7,463	7,459	7,898	8,060	9,781	8,849	9,672
Marketing(1)	7,210	4,075	3,726	4,888	9,211	8,486	5,436	5,438	10,459
General and administrative(1)	8,344	7,219	8,674	7,157	10,385	9,526	10,037	12,421	14,367
Total operating expenses	21,324	18,444	19,863	19,504	27,494	26,072	25,254	26,708	34,498
Income (loss) from operations	(20,455)	(626)	(419)	(8,789)	(24,363)	1,339	5,663	(5,423)	(28,122)
Total interest income and other income, net	14	10	11	18	84	49	37	88	56
Income (loss) before tax benefit (expense)	(20,441)	(616)	(408)	(8,771)	(24,279)	1,388	5,700	(5,335)	(28,066)
Net income (loss)	$ (20,441)	$ (616)	$ (408)	$ (8,771)	$ (24,279)	$ 1,388	$ 5,700	$ (5,335)	$ (28,066)

(1) Includes stock-based compensation as follows:

	Three Months Ended								
	Mar. 31, 2015	June 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017
	(in thousands)								
Cost of revenue	$ 291	$ 346	$ 348	$ 455	$ 518	$ 525	$ 546	$ 677	$ 714
Technology and development	248	382	341	404	539	559	555	730	731
Marketing	93	39	76	90	110	112	114	133	119
General and administrative	357	385	1,139	568	654	718	940	983	1,117
Total	$ 989	$ 1,152	$ 1,904	$ 1,517	$ 1,821	$ 1,914	$ 2,155	$ 2,523	$ 2,681

	Three Months Ended								
	Mar. 31, 2015	June 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017
	(as a percentage of revenue)								
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue(1)	97.0	67.7	66.2	76.6	92.5	64.7	61.9	68.1	89.3
Gross profit	3.0	32.3	33.8	23.4	7.5	35.3	38.1	31.9	10.7
Operating expenses:									
Technology and development(1)	20.0	13.0	13.0	16.3	19.0	10.4	12.1	13.3	16.2
Marketing(1)	25.0	7.4	6.5	10.7	22.1	10.9	6.7	8.1	17.5
General and administrative(1)	28.9	13.1	15.1	15.6	24.9	12.3	12.4	18.6	24.0
Total operating expenses	74.0	33.4	34.5	42.6	66.0	33.5	31.2	40.0	57.6
Income (loss) from operations	(70.9)	(1.1)	(0.7)	(19.2)	(58.5)	1.7	7.0	(8.1)	(47.0)
Total interest income and other income, net	—	—	—	—	0.2	0.1	—	0.1	0.1
Income (loss) before tax benefit (expense)	(70.9)	(1.1)	(0.7)	(19.2)	(58.3)	1.8	7.0	(8.0)	(46.9)
Net income (loss)	(70.9)%	(1.1)%	(0.7)%	(19.2)%	(58.3)%	1.8%	7.0%	(8.0)%	(46.9)%

(1) Includes stock-based compensation as follows:

	Three Months Ended								
	Mar. 31, 2015	June 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017
	(as a percentage of revenue)								
Cost of revenue	1.0%	0.6%	0.6%	1.0%	1.2%	0.7%	0.7%	1.0%	1.2%
Technology and development	0.9	0.7	0.6	0.9	1.3	0.7	0.7	1.1	1.2
Marketing	0.3	0.1	0.1	0.2	0.3	0.1	0.1	0.2	0.2
General and administrative	1.2	0.7	2.0	1.2	1.6	0.9	1.2	1.5	1.9
Total	3.4%	2.1%	3.3%	3.3%	4.4%	2.5%	2.7%	3.8%	4.5%

Revenue for the periods above has followed a seasonal pattern consistent with the residential real estate industry. Accordingly, revenue in 2015 and 2016 increased sequentially from the first quarter through the third quarter. Revenue in the fourth quarters of 2015 and 2016, as well as the first quarters of 2016 and 2017, declined sequentially.

Cost of revenue has also reflected seasonality. Cost of revenue in 2015 and 2016 increased sequentially from the first quarter through the second quarter. In the third quarter of 2015, cost of revenue increased sequentially, while it decreased sequentially in the same period for 2016 as we kept the average number of lead agents flat with the second quarter. In the fourth quarters of 2015 and 2016, the cost of revenue declined sequentially due to lower real estate transaction volume.

Technology and development expenses are influenced period to period by the timing of development project expenses, including the additional use of contract software developers as well as the utilization of interns, who typically work with the company during the third quarter. Marketing expenses are influenced by seasonal factors and the timing of advertising campaigns. We typically spend more on advertising during the first half of the year than the second half of the year.

Quarterly Key Business Metrics

	Three Months Ended								
	Mar. 31, 2015	June 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017
Monthly average visitors (in thousands)	10,235	12,381	13,060	11,142	13,987	17,021	17,795	16,058	20,162
Real estate transactions:									
Brokerage	2,958	5,465	5,653	4,510	4,005	7,497	7,934	6,432	5,692
Partner	1,459	2,456	2,718	2,273	1,936	2,602	2,663	2,281	2,041
Total	4,417	7,921	8,371	6,783	5,941	10,099	10,597	8,713	7,733
Real estate revenue per real estate transaction:									
Brokerage	$ 8,880	$ 9,243	$ 9,343	$ 9,242	$ 9,485	$ 9,524	$ 9,333	$ 9,428	$ 9,570
Partner	959	1,164	1,191	1,177	1,224	1,633	1,932	1,991	1,911
Aggregate	6,263	6,738	6,696	6,539	6,793	7,491	7,474	7,481	7,548
Aggregate home value of real estate transactions (in millions)	1,874	3,601	3,837	2,984	2,599	4,684	4,898	4,018	3,470
U.S. market share by value	0.38%	0.44%	0.46%	0.46%	0.48%	0.53%	0.57%	0.56%	0.58%
Revenue from top-10 Redfin markets as a percentage of real estate revenue	76%	78%	76%	73%	71%	74%	72%	71%	68%
Average number of lead agents	509	568	621	667	743	756	756	796	935

Similar to our revenue, monthly average visitors to our website and mobile application has typically followed a seasonal pattern, increasing sequentially in 2015 and 2016 from the first quarter through the third quarter. Monthly average visitors fell sequentially during the fourth quarters of 2015 and 2016 following seasonality.

Liquidity and Capital Resources

To date, our principal sources of liquidity have been the net proceeds we received through private sales of our equity securities. From our inception through March 31, 2017, we completed several rounds of sales of shares of our redeemable convertible preferred stock to investors representing total gross proceeds of approximately $167.5 million.

In the first quarter of 2017, we introduced Redfin Mortgage, to originate and underwrite mortgage loans, and began testing a new service called Redfin Now, where we buy homes directly from home sellers, intending to resell those homes. To date, neither business has had a material impact on our liquidity or results of operations. If we decide to significantly expand these new product offerings, we may seek to raise additional capital through equity, equity-linked, or debt financing arrangements to fund this expansion. We cannot assure you that any additional financing will be available to us on acceptable terms or at all.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in thousands)		
Net cash used in operating activities	$ (13,596)	$ (22,160)	$ (9,345)	$ (19,295)	$ (22,011)
Net cash used in investing activities	(9,039)	(4,567)	(13,567)	(935)	(4,782)
Net cash provided by financing activities	69,585	1,723	1,345	342	(1,028)

Cash Flows from Operating Activities

Net cash used in operating activities in the three months ended March 31, 2017 consisted of $28.1 million of net losses, a $4.6 million positive impact from non-cash items, a $2.9 million net increase in accrued expenses and accounts payable due to the timing of when amounts came due, and a $1.1 million decrease in prepaid expenses. These benefits were partially offset by a $1.6 million increase in accrued revenue due to the timing of real estate transactions and $1.8 million in home purchases from testing Redfin Now.

Net cash used in operating activities in the three months ended March 31, 2016 consisted of $24.3 million of net losses, a $3.3 million positive impact from non-cash items, a $2.4 million net increase in accrued expenses and accounts payable due to the timing of when amounts came due, and a $1.9 million decrease in prepaid expenses. These benefits were partially offset by a $2.1 million increase in accrued revenue due to the timing of real estate transactions that closed.

Net cash used in operating activities in 2016 consisted of $22.5 million of net losses, a $14.7 million positive impact from non-cash items, a $7.2 million net increase in accrued expenses and accounts payable due to the timing of when amounts came due, and a $2.2 million decrease in prepaid expenses. These benefits were partially offset by a $6.0 million increase in other long-term assets, including a $5.4 million deposit with the landlord for our new Seattle headquarters office space. We also incurred a $5.0 million increase in accrued revenue due to the timing of real estate transactions that closed.

Net cash used in operating activities in 2015 consisted of $30.2 million of net losses, a $10.0 million positive impact from non-cash items, and a $3.9 million increase in accrued expenses due to the timing of when amounts came due. These benefits were partially offset by a $4.0 million increase in prepaid expenses and a $2.7 million increase in accrued revenue due to the timing of real estate transactions that had closed.

Net cash used in operating activities in 2014 consisted of $24.7 million of net losses, a $7.6 million impact of non-cash items, a $3.4 million increase in accrued expenses due to the timing of when amounts came due, and a $0.5 million decrease in accrued revenue due to the timing of real estate transactions that closed. These benefits were partially offset by a $0.7 million increase in prepaid expenses.

Cash Flows from Investing Activities

Net cash used in investing activities in the three months ended March 31, 2017 consisted of $4.8 million of fixed asset purchases, including $2.5 million of leasehold improvements for our new Seattle headquarters office space and $1.2 million of capitalized software development expenses. The landlord for the Seattle headquarters office space will reimburse us for a portion of the construction in progress, and this cash inflow will be classified as an operating activity in a future period.

Net cash used in investing activities in the three months ended March 31, 2016 consisted of $0.8 million of purchases of fixed assets, including internal use software development.

Net cash used in investing activities in 2016 consisted of $13.6 million of fixed asset purchases, including $8.0 million of construction in progress for our new Seattle headquarters office space and $3.2 million of capitalized software development expenses. The landlord for the Seattle headquarters office space will reimburse us for a portion of the construction in progress, and this cash inflow will be classified as an operating activity in a future period.

Net cash used in investing activities in 2015 consisted of $4.6 million of purchases of fixed assets, including internal use software development.

Net cash used in investing activities in 2014 consisted of $5.0 million of purchases of fixed assets, including internal use software development and $4.1 million for the acquisition of Walk Score, Inc.

Cash Flows from Financing Activities

Net cash used in financing activities in the three months ended March 31, 2017 consisted of $0.6 million in proceeds from the exercise of stock options offset by $1.6 million of payments of deferred initial public offering costs. Net cash provided by financing activities in the three months ended March 31, 2016 consisted of $0.3 million in proceeds from the exercise of stock options.

Net cash provided by financing activities in 2016 consisted of $1.5 million in proceeds from the exercise of stock options. Net cash provided by financing activities in 2015 consisted of $1.7 million from proceeds from the exercise of stock options. Net cash provided by financing activities in 2014 consisted of $68.6 million in net proceeds from the issuance of our redeemable convertible preferred stock, and $1.0 million in proceeds from the exercise of stock options.

Contractual Obligations

Contractual obligations are cash amounts that we are obligated to pay as part of certain contracts that we have entered into during the normal course of business. Below is a table that shows the contractual obligations as of December 31, 2016:

	Payments Due by Period:				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(in thousands)				
Operating leases	$ 55,507	$ 4,803	$ 12,879	$ 10,890	$ 26,935
Purchase obligations	2,971	2,123	848	—	—
Total	$ 58,478	$ 6,926	$ 13,727	$ 10,890	$ 26,935

In May 2016, we entered into a lease for a new corporate headquarters in Seattle, Washington, which was subsequently amended and restated in June 2017. This amendment had no effect on our contractual obligations. The minimum lease payments total $43.8 million, which will be due over 133 months, beginning in mid-2017 and lasting through 2027.

Our purchase obligations primarily relate to the noncancelable portion of commitments related to our network infrastructure and annual employee meeting. We do not include obligations under contracts that we can cancel without significant penalty in the table above. Also included are the purchase prices of homes that we are under contract to purchase through Redfin Now but that have not yet closed. There were no such homes as of December 31, 2016.

Critical Accounting Policies and Estimates

Discussion and analysis of our financial condition and results of operations are based on our financial statements which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue, and expenses at the date of the financial statements. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies and estimates include those related to revenue recognition and stock-based compensation.

Revenue Recognition

Revenue primarily consists of commissions and fees charged on each real estate transaction completed by us or our partner agents. We recognize commission-based brokerage revenue upon closing of a real estate transaction, net of any commission refund, closing-cost adjustment, commission discount or transaction fee adjustment. Partner revenue consists of fees earned by referring customers to partner agents. Partner revenue is earned and recognized when partner agents close a referred transaction, net of any refund provided to customers. Revenue earned from selling homes previously purchased by Redfin Now is recorded on a gross basis upon closing. There was no such revenue from home sales for all periods presented.

Revenue earned but not received is recorded as accrued revenue on the accompanying consolidated balance sheets. Fees and revenue from other services are recognized when the service is provided.

Stock-based Compensation

Stock-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award.

Determining the fair value of stock-based awards at the grant date is highly complex and subjective and requires significant judgment. We use the Black-Scholes-Merton option-pricing model to determine the fair value of stock options, the output of which is affected by a number of variables. These variables include the fair value of our common stock, our expected common stock price volatility over the expected life of the options, expected term of the stock option, risk-free interest rates and expected dividends, which are estimated as follows:

- *Fair Value of Our Common Stock.* The fair value of the shares of our common stock underlying stock options has historically been established by our board of directors with the assistance of an independent third-party valuation firm. Because there has been no public market for our common stock, our board of directors has relied on this independent valuation and other factors to establish the fair value of our common stock at the time of grant of the option.

- *Expected Life*. The expected term was estimated using the simplified method allowed under SEC guidance.

- *Volatility*. The expected stock price volatility for our common stock was estimated by taking the average historical price volatility for industry peers based on daily price observations. Industry peers consist of several public companies in the real estate brokerage and technology industries. In 2015, we changed the group of industry peers due to external mergers and acquisitions in the real estate industry.

- *Risk-Free Rate*. The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the options for each option group.

- *Dividend Yield*. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

In addition to the assumptions used in the Black-Scholes-Merton option pricing model, we must also determine a forfeiture rate to calculate the stock-based compensation for awards. Through December 31, 2016, we recognized compensation for only the portion of options expected to vest using an estimated forfeiture rate that was derived from historical employee termination behavior. On January 1, 2017, we adopted Accounting Standards Update, or ASU, 2016-09 and elected to book forfeitures as they occur, using the modified retrospective approach through a cumulative-effect adjustment of $552 to beginning accumulative deficit. The adoption of this guidance did not have a material impact on our financial position, results of operations or cash flows.

Valuation of Common Stock

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately Held Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous and subjective factors to determine the best estimate of fair value of our common stock, including the following:

- contemporaneous unrelated third-party valuations of our common stock;

- the prices at which we sold shares of our redeemable convertible preferred stock to outside investors in arm's-length transactions;

- the rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;

- our results of operations, financial position and capital resources;

- current business conditions and projections;

- the lack of marketability of our common stock;

- the hiring of key personnel and the experience of our management;

- the fact that the option grants involve illiquid securities in a private company;

- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company, given the prevailing market conditions;

- industry trends and competitive environment;
- trends in the U.S. residential real estate market; and
- overall economic indicators, including gross domestic product, employment, inflation, and interest rates.

We performed valuations of our common stock that took into account the factors described above and used a combination of valuation methods as deemed appropriate under the circumstances applicable at the valuation date to determine our business enterprise value, or BEV, including the following approaches:

- The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. To determine our peer group of companies, we considered a combination of public enterprises using Internet-based technology and incurring similar costs to deliver services and selected those that are similar in business operations, products, size, growth, financial performance, and geographic location. From the comparable companies, a representative market value multiple is determined, which is applied to the subject company's operating results to estimate the value of the subject company. The market value multiple was determined based on consideration of revenue multiples and earnings before interest, taxes, depreciation and amortization, or EBITDA, and gross margin to each of the companies' last 12-month revenue and the next fiscal year12-month revenue. The multiples are calculated and then applied to the business being valued. The estimated value is then discounted by a non-marketability factor (discount for lack of marketability) due to the fact that stockholders of private companies do not have access to trading markets similar to those enjoyed by stockholders of public companies, which affects liquidity.
- The income approach estimates value based on the expectation of future cash flows that a company will generate over a discrete projection period, as well as for the terminal period. The projected free cash flows include earnings before interest and taxes, less taxes, plus depreciation and amortization, less capital expenditures plus an increase or decrease in working capital. These future cash flows are discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in similar lines of business as of each calculations date and is adjusted to reflect the risks inherent in our cash flows. In addition, we also consider an appropriate discount adjustment to recognize the lack of marketability due to being a private company.
- The prior sale of company stock approach estimates value by considering any prior arm's length sales of our equity. When considering prior sales of our equity, the valuation considers the size of the equity sale, the relationship of the parties involved in the transaction, the timing of the equity sale, and our financial condition at the time of the sale.

Once the equity value is determined, one of the following methods was used to allocate the BEV to each of our classes of stock: (1) the option pricing method, or OPM; (2) a probability weighted expected return method, or PWERM; (3) the current value method, or CVM; or (4) the hybrid method, which is a hybrid between the OPM, PWERM or CVM methods.

The OPM treats common stock and preferred stock as call options on a business, with exercise prices based on the liquidation preference of the preferred stock. Therefore, the common stock only has value if the funds available for distribution to the holders of common stock exceeds the value of the liquidation preference of the preferred stock at the time of a liquidity event, such as a

merger, sale, or initial public offering, assuming the business has funds available to make a liquidation preference meaningful and collectible by stockholders. The common stock is modeled as a call option with a claim on the business at an exercise price equal to the remaining value immediately after the preferred stock is liquidated. The OPM uses the Black-Scholes-Merton option pricing model to price the call option.

The PWERM employs various market approach calculations depending upon the likelihood of various liquidation scenarios. For each of the various scenarios, an equity value is estimated and the rights and preferences for each stockholder class are considered to allocate the equity value to common shares. The common share value is then multiplied by a discount factor reflecting the calculated discount rate and the timing of the event. Lastly, the common share value is multiplied by an estimated probability for each scenario. The probability and timing of each scenario are based on discussions between our board of directors and our management team. Under the PWERM, the value of our common stock is based upon possible future exit events for our company.

The CVM allocates the enterprise value derived from one or more of the methods described above to the various series of a company's preferred stock based on their respective liquidation preferences or conversion values, in accordance with the terms of the prevailing certificate of incorporation, assuming that each class of stock takes the course of action that maximizes its return. The fundamental assumption of this method is that the manner in which each class of preferred stockholders will exercise its rights and achieve its return is determined based on the enterprise value as of the valuation date and not at some future date. Accordingly, depending upon the equity value and the nature and amount of the various liquidation preferences, preferred stockholders will participate in equity value allocation either as holders of preferred stock or, if conversion would provide them with better economic results, as holders of common stock. We utilized CVM to account for certain secondary transactions involving our common stock. Specifically, we considered pricing, investor participation, visibility of information between the parties, and the purpose and size of the transaction.

Following this offering, we will rely on the closing price of our common stock as reported by The NASDAQ Global Select Market on the date of grant to determine the fair value of our common stock.

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the consolidated financial statement and tax bases of assets and liabilities at the applicable enacted tax rates. We will establish a valuation allowance for deferred tax assets if it is more likely than not that these items will either expire before we are able to realize their benefit or that future deductibility is uncertain.

We believe that it is currently more likely than not that our deferred tax assets will not be realized and as such, we have recorded a full valuation allowance for these assets of $38.3 million. We evaluate the likelihood of the ability to realize deferred tax assets in future periods on a quarterly basis, and when appropriate evidence indicates we would release our valuation allowance accordingly. The determination to provide a valuation allowance depends on the assessment of whether it is more likely than not that sufficient taxable income will be generated to utilize the deferred tax assets. Based on the weight of the available evidence, which includes our historical operating losses, lack of taxable income, and accumulated deficit, we provided a full valuation allowance against the U.S. tax assets resulting from the tax loss and credits carried forward.

In addition, current tax laws impose substantial restrictions on the utilization of research and development credit and net operating loss, or NOL, carryforwards in the event of an ownership change,

as defined by Internal Revenue Code Sections 382 and 383. Such an event, having occurred in the past or in the future, may significantly limit our ability to utilize our NOL carryforwards and research and development tax credit carryforwards. In the three months ended March 31, 2017, we completed a Section 382 study. The study determined that we underwent an ownership change in 2006. Due to the Section 382 limitation determined on the date of the ownership change in 2006, NOL and research and development tax credit carryforwards will be reduced by $1,506 and $32, respectively.

Off-Balance Sheet Arrangements

Since inception, we have not had any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for facilitating off-balance sheet arrangements or for another contractually narrow or limited purpose.

JOBS Act

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act, or JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Quantitative and Qualitative Disclosures about Market Risk

The principal market risk we face is interest rate risk. We had cash, cash equivalents, and short-term investments of $87.3 million as of December 31, 2015 and $65.8 million as of December 31, 2016. We held cash, cash equivalents, and short-term investments of $38.0 million as of March 31, 2017. The goals of our investment policy are liquidity and capital preservation. We do not enter into investments for trading or speculative purposes. Our investment policy allows us to maintain a portfolio of cash equivalents and investments in a variety of securities, including U.S. government treasury and agency issues, bank certificates of deposit that are 100% Federal Deposit Insurance Corporation insured, and SEC-registered money market funds that consist of a minimum of $1 billion in assets and meet the above requirements. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short term nature of our cash, cash equivalents and short-term investments. Declines in interest rates, however, would reduce future investment income. A 100 basis-point decline in interest rates, occurring January 1, 2016 and sustained throughout the fourth quarter of 2016, would not have been material.

We do not currently have any operations outside of the United States and, as a result, we do not face significant risk with respect to foreign currency exchange rates.

Recent Accounting Standards

For information on recent accounting standards, see Note 1 to our consolidated financial statements included elsewhere in this prospectus.

LETTER FROM THE TEAM

This prospectus will tell you what we do: our company runs a website to show people homes for sale, and employs our own real estate agents to help people buy or sell those homes. This letter tries to explain who we are.

We think of ourselves as idealists, who got into this business to make real estate better for consumers, not just ourselves. Our ideals are important when we want to earn customers' trust: to take our advice about walking away from an easy sale on the wrong house or about paying more in a bidding war. At a time when our customers are hauling everything they own across the country to start a new family, a new job, a new life, what they most need us to be is completely on their side.

And this is our mission, in a sales-mad, baloney-gorged world, to be the truth-teller, the fee-squeezer, the game-changer. Our idealism may not benefit stockholders over months or quarters, but we believe that over years and decades it will deliver the best results.

Of course idealists often get punched in the nose by the real world. But we're also fighters. A long time ago, when we were competing against giants in markets where homes had lost half their value, a journalist described us as rabid squirrels.

We embraced this identity. It gave us the pluck to go after big markets with an unreasonably small number of people and resources, a mentality that is essential to creating stockholder value. This tenacity has been a good complement to the almost fevered idealism on which Redfin was founded, letting us ignore present-day pain for long-term gain. Rabid squirrels don't give up.

We invented a map-based search website for Seattle, then let media companies launch that idea nationwide while we spent a decade figuring out how to run our own real estate brokerage market by market. Now we're the United States' fastest-growing major real estate site and, we believe, the best real estate service. That pairing has let us make the whole process of buying or selling a home better, not just the initial search. It has opened up the $75-billion market for residential real estate brokerages, not just their ad budgets. It has been worth the wait.

This long-term, holistic perspective has led to thousands of tweaks to our online tools so we can meet more customers, but then to months and even years of testing each tweak to see which of those customers actually buy a house. What has been beaten into us at every turn is a wary preference for durable gains in gross profit and customer value over pops in unprofitable growth.

But being a rabid squirrel is more than just frugality or patience. When we can convince more than 2,000 employees that we're more willing to do hard things than our competitors, it is a fearsome advantage. This conviction makes us grind on details most would let go. It gives us the confidence to pursue mortgage, title and other businesses that aren't for the faint of heart. It reminds us that the only way to make money over time is to do things others can't or won't.

The result has been a contrarian culture. In an age when the technology economy is increasingly divided from the rest of the world, we have hired our own real estate agents, not as a disposable labor force, but as partners in this business, with a salary, health-care benefits and the opportunity to earn stock options.

We employ people from all walks of life. We write software and analyze financial results like other technology companies; we also scoop kitty litter and squirm through crawl spaces looking for rats. Our engineers have said that when a problem with our software affects our agents, it feels like we have failed a friend. Our favorite saying at Redfin is that everyone sweeps the floors.

This humility is essential to our risk-taking culture. Everyone at Redfin knows our executives have made the lion's share of our mistakes. None of us pretends we're Steve Jobs. Since the cost of a mistake in business is often a hundred or a thousand times smaller than the gain from a new idea, we believe the fault lies mostly in the "not-done, the diffidence that faltered." When we admit our mistakes as executives, it liberates everyone else here to think big and fearlessly, but also to concede their own mistakes quickly so we can limit losses, learn what went wrong, and move on to the next idea. We believe this increases our overall capacity to delight customers and create stockholder value.

So this is Redfin: rabid squirrels on a mission to make real estate better, and to treat everyone we work with along the way respectfully. Since we're in real estate, we know there will be ups and downs. But we also know that when you work very hard for a long time to make things better for people, you usually create something meaningful, durable and good. We hope you see Redfin the same way. Thank you to our families and friends for supporting us in this effort.

Best,

Glenn, Scott, Adam, Bridget, Chris, Anthony

BUSINESS

Overview

Redfin is a technology-powered residential real estate brokerage. We represent people buying and selling homes in over 80 markets throughout the United States. Our mission is to redefine real estate in the consumer's favor.

Our strategy is simple. In a commission-driven industry, we put the customer first. We do this by pairing our own agents with our own technology to create a service that is faster, better, and costs less. We meet customers through our listings-search website and mobile application, reducing the marketing costs that can keep fees high. We let homebuyers schedule home tours with a few taps of a mobile-phone button, so it's easy to try our service. We create an immersive online experience for every Redfin-listed home and then promote that listing to more buyers than any traditional brokerage can reach through its own website. We use machine learning to recommend better listings than any customer could find on her own. And we pay Redfin lead agents based in part on customer satisfaction, not just commission, so we're on the customer's side.

Our efficiency results in savings that we share with our customers. Our homebuyers saved on average approximately $3,500 per transaction in 2016. And we charge most home sellers a commission of 1% to 1.5%, compared to the 2.5% to 3% typically charged by traditional brokerages.

The results of our customer-first approach are clear. We:

- helped customers buy or sell more than 75,000 homes worth more than $40 billion through 2016;
- gained market share in 81 of our 84 markets from 2015 to 2016;
- drew more than 20 million monthly average visitors to our website and mobile application in the first quarter of 2017, 44% more than in the first quarter of 2016, making us the fastest-growing top-10 real estate website;
- earned a Net Promoter Score, a measure of customer satisfaction, that is 32% higher than competing brokerages', and a customer repeat rate that is 37% higher than competing brokerages';
- sold Redfin-listed homes for approximately $3,000 more on average compared to the list price than competing brokerages' listings in 2016; and
- employed lead agents who, in 2016, were on average three times more productive, and earned on average twice as much money as agents at competing brokerages; our lead agents were also 44% more likely to stay with us from 2015 to 2016 than agents at competing brokerages.

And we're just getting started. Because we're one of the only major brokerages building virtually all of our own brokerage software, our gains in efficiency, speed, and quality are proprietary. Because our leadership and engineering teams have come from the technology industry, and have structured the business to invest in software development, we believe those software-driven gains are likely to grow over time. And finally, because we hire our own lead agents as employees, we can set data-driven best practices for selling homes, with our software tailored to those practices, creating a positive feedback loop between software and operational innovations that we believe differentiates us from traditional brokerages. Moreover, we believe listing more homes and drawing more homebuyers

to our website and mobile application will let us pair homebuyers and home sellers directly online over time, further improving our service and lowering our costs.

Our growth has been significant. For the three months ended March 31, 2016 and 2017, we generated revenue of $41.6 million and $59.9 million, respectively, representing year-over-year growth of 44%. For the three months ended March 31, 2016 and 2017, we generated net losses of $24.3 million and $28.1 million, respectively.

For the years ended December 31, 2014, 2015, and 2016, we generated revenue of $125.4 million, $187.3 million, and $267.2 million, respectively, representing annual growth of 37%, 49%, and 43%, respectively. We generated net losses of $24.7 million, $30.2 million, and $22.5 million for the years ended December 31, 2014, 2015, and 2016, respectively.

Real Estate Industry

Over one-third of middle-class consumer spending is on the home. NAR estimated that the aggregate value of existing U.S. home sales was approximately $1.5 trillion in 2016 from approximately 5.5 million total transactions. We estimate consumers paid more than $75 billion in commissions in 2016 for these transactions.

Highly Fragmented

The residential brokerage industry is highly fragmented. There are an estimated 2,000,000 active licensed agents and over 86,000 real estate brokerages in the United States, many operating through franchises or as small local brokerages. Traditional brokerages engage agents as independent contractors. This model limits these brokerages' ability to tell agents how much to charge, what technology to use, and how to treat customers. And most residential brokerages buy disparate technologies rather than build their own.

Our goal is to build the first large-scale brokerage that stands apart in consumers' minds for delivering a unique and consistent customer experience, where the value is in our brokerage and its technologies, not just a personal relationship with one agent.

Commission-Driven Compensation

Traditional real estate agents earn commissions based on a home's sale price, with no direct consideration for customer satisfaction or service quality.

We pay our lead agents a bonus based in part on customer satisfaction, not just commission. We do this to make our lead agents accountable not just for any sale, but for a sale on terms that satisfy our customer. We believe this supports a more trusting relationship between our customers and our lead agents, giving customers the space to make better decisions, and the confidence to rely on our advice.

High Customer-Acquisition Costs

U.S. worker productivity has increased approximately 37% since 1999, but real estate agent productivity has fallen nearly 31% on average over the same period, in part because of increases in the number of real estate agents, which leads to more competition to find customers. Traditional real estate agents spend significant amounts of time and money prospecting for customers through traditional advertising channels and networking activities.

We believe that the Internet is more efficient at connecting consumers with agents than the prospecting activities of most agents, and that this efficiency gain can benefit the consumer most when a website is operated by the brokerage representing that consumer in a purchase or sale.

Market Trends

We believe the following trends show that consumers prefer a technology-powered real estate brokerage like Redfin.

A Changing Consumer

Residential real estate consumers increasingly want fast service and low fees. Since 2011, the percentage of Redfin home-tour requests received with less than 24 hours' notice increased from 39% to 51%. According to a study we commissioned, 56% of people who successfully sold a home in 2016 asked their agent for a lower commission.

More Consumers Go Online to Find and Purchase Homes and Select Agents

Homebuyers increasingly go online to find homes for sale. According to a 2016 study by NAR, more than half of homebuyers found their home online and 86% identified websites as the most useful information source. According to a 2017 study we commissioned, one in three homebuyers made an offer on a home they had not seen in person.

Consumers also choose their agent online. While 33% of homebuyers find an agent through referrals, nearly that many, 26%, are finding an agent online.

Shift to Mobile

Mobile devices are increasingly popular in the homebuying process. According to a 2016 NAR survey, 72% of homebuyers in 2015 used a mobile device to find their home, up from 61% in 2014 and 45% in 2013. The same study found that 58% of homebuyers found the home they purchased from browsing on a mobile application.

New Technologies Emerging

In a 2016 NAR survey, 48% of respondents from various residential brokerages indicated that "keeping up with technology" would be their biggest challenge over the next two years. Forty-six percent saw competition from online firms increasing, and 43% expected competition from non-traditional firms to increase in the next year.

How We Win

Next-Generation Technologies

From stocks to books to lodging, technology has made it easier, faster, and less expensive to buy almost everything in our lives except the most important thing: our home.

To solve this problem, Redfin uses a wide range of next-generation technologies. We invented map-based real estate search. We use machine learning and artificial intelligence to answer customers' most important questions about where to live, how much a home is worth, and when to move. We draw on cloud computing to perform computationally intensive comparisons of homes at a scale that would otherwise be cost prohibitive. We use streaming technologies to quickly notify customers about a listing. And we embrace new hardware, such as three-dimensional scanning cameras that let potential homebuyers walk through the property online.

The goal of all of these technologies is to empower our customers and increase our agents' productivity. This leads to consistently better customer service at a lower cost. We pass the resulting savings to our customers.

Comprehensive Listings Data

As a brokerage, Redfin has complete access to all the homes listed for sale in the local multiple listing services, or MLSs, in the markets we serve. MLSs are used by real estate agents to list properties and coordinate sales. Although websites that do not operate a brokerage often have access to these MLSs, the terms of their access vary widely. As a result, brokerage websites often get more listings from MLSs, or more detail about each listing, than other websites.

Our agents visit more than 10,000 listings a week, enhancing our site with in-person insights about a home. Access to this extensive data, paired with local knowledge, lets us give our customers what we believe to be the most comprehensive information on homes for sale.

Additionally, our streaming architecture is designed to recommend listings to our customers by mobile alert or email soon after these listings appear in the MLS. These advantages in loading listings data and quickly notifying consumers come not just at the listing debut in the MLS, but in recognizing when a price changes or a home sells. For over 80% of these listings, we can show the listing on our website and mobile application within five minutes of its debut in the MLS. According to a 2017 study we commissioned, we notify our customers about newly listed homes between three to 18 hours faster than other leading real estate websites.

When we represent home sellers, we capture even more data about their properties, including an interactive three-dimensional scan; and in certain markets, we can also post our own listings to our website and mobile application days before those listings appear on any other website.

In 2016, we were the fastest growing top-10 real estate website. In the first quarter of 2017, we had the most monthly average visitors of any residential brokerage website, with more than three times as many as the second-most popular residential brokerage website. Monthly average visitors to our website and mobile application grew 44% from the first quarter of 2016 to the first quarter of 2017.

Machine Learning

Redfin Listing Recommendations

Knowing which listings customers visit online, tour in person, or ultimately make an offer on lets our algorithms make better listing recommendations, further enhanced through curation by our lead agents. These Redfin listing recommendations are one part of our strategy to increase the revenue generated from online visitors by personalizing our website and our service to keep customers engaged with Redfin from their first visit to a closing.

Redfin Estimate

Our access to detailed data about every MLS listing in markets we serve has helped us build what we believe is the most accurate automated home-valuation tool. According to a 2017 study we commissioned, among industry-leading websites that display valuations for active listings, 64% of the listings for which we provided a public valuation estimate sold within 3% of that estimate, compared to only 29% and 16% of the public estimates for the two other websites in the study. Our proprietary *Redfin Estimate* is fundamental technology that draws visitors to our website, then entices them to subscribe to a monthly home report with updates on changes to their home's value. Views of off-market homes on our website in 2016 grew 78% year-over-year. We believe this increase is due in large part to the *Redfin Estimate*. The *Redfin Estimate* supports our sellers' agents in consultations with homeowners, our buyers' agents in guiding buyers on what to pay for a home, and our marketing teams in deciding which homeowners to target for a listing consultation.

Redfin Hot Homes

This proprietary algorithm identifies the homes we believe are most likely to sell quickly. Coupling Redfin *Hot Homes* alerts with on-demand tours, as well as data we're collecting about offer deadlines, is part of our strategy to give our customers a first-mover advantage in pursuing the most desirable homes for sale.

We believe that our approach to data science and machine learning will continue to yield other insights, about the customers most likely to complete a transaction, about the key moments for offering service to online visitors we hope to convert into customers, and even about which homes will be harder or easier to sell, so we can optimize our fees and set customer expectations.

On-Demand Service

Customers place a premium on speed. When we offer online visitors faster service, more try that service. Delivering this speed depends on seamless integration between our technology and service—to get customers into homes first, to prepare an offer first, to be able to win the deal, and to close without a hitch. Tracking every digital customer interaction and working in teams lets us provide fast, consistently high-quality service.

With a few taps of a mobile-phone button, a Redfin homebuyer can schedule home tours quickly. To schedule a tour instantly and automatically, we first show the buyer online a wide range of homes for sale. Once the buyer chooses the homes she wants to see, we review lead agent availability, location, areas of expertise, and past interactions with that buyer, data that is easier for us to track because we store customer interactions with our agents in one central system, and ask our lead agents as employees to work during times of peak demand. Next, we confirm that each home is available to show at the requested time, communicating with the listing agent programmatically or through a phone call.

Finally, we determine the optimal order in which to visit each home, allocating enough time to drive or walk from one to the next. Because on-demand service depends on different lead agents being available at different times, everyone on a local Redfin team can see all of the customer's online and brokerage activities to learn about the customer prior to the tour. Every team member also can update this system through mobile tools during and after the tour so we can follow up with more detail about a home of interest, different listing recommendations, or an on-the-spot offer. The entire solution depends on a listings search website, a customer database, a team structure, and a mobile capability that few brokerages can deliver. In May 2017, 47% of Redfin customers scheduled home tours automatically.

Teams and Tools

We believe that our ability to deliver better, faster service at lower cost depends not only on our ongoing software development, but also on organizing employees into teams using that software to respond faster than most individual agents could, without stepping on one another's toes or worrying about poaching the customer from another agent.

Teams of Employee Agents

Our lead agents are responsible for each customer's success and are the customer's primary point of contact. A lead agent typically meets the customer on a first tour or listing consultation and works with that customer throughout the buying or selling process. She is assisted by support agents for responding to initial online inquiries, by marketing assistants for getting a home photographed and promoted online and in printed fliers, and by transaction coordinators for closing paperwork.

Our entire team of employees follows processes and uses software developed by Redfin to ensure consistent, high-quality service, based on data-driven insights about how to schedule tours, when to check in with customers, and how to price a home.

Flexible Network of Independent Associate Agents

We also contract with independent associate agents to create a flexible network of licensed real estate agents to deliver faster service for customer tours, open houses, and inspections.

Redfin Agent Tools

Because customers use our website and mobile application for their home search, and often go online to schedule tours, ask questions, review traffic to their listing, or start offers, we do not depend, as many competing brokerages do, on agents manually logging every customer interaction. Our proprietary Redfin *Agent Tools* automatically captures information on millions of customer interactions every year, and provides templates for our lead agents to recommend listings, follow up on tours, prepare comparative market analyses, and write offers. Our employee agents can access Redfin *Agent Tools* on their mobile device, so we can serve customers better and faster, even when our agents are in the field rather than at their desks. This is why a Redfin team can work together to deliver personal service to a large number of customers, with an agent using the system to learn, for example, that one customer is only interested in homes without stairs and another customer is looking for a home near a bus route.

Productive Agents

We believe our ability to meet customers through our website and mobile application has a profound effect not just on our economics but on our culture: our lead agents' primary responsibility is not generating new leads, but advising customers buying and selling homes. In 2016, our lead agents were on average three times more productive and earned on average twice as much money as agents at competing brokerages. High-performing agents also earned stock options and a celebratory trip to Barcelona.

About 60% of our lead agents were previously real estate agents, with the other 40% largely coming to us from customer-service industries like retail or hospitality. Data guides our hiring and management decisions, as we've analyzed which industry hires outperform those new to real estate and what level of prior experience is correlated with long tenure at our company. We measure agent performance in detail and give managers access to this data in real time, so we can quickly intervene when our customer service falls short.

Our lead agents were 44% more likely to stay with us from 2015 to 2016 than agents at competing brokerages.

Investment in Agents

The high productivity of our lead agents rationalizes an investment in equipment, management, training, and support staff that is unusual in the industry: we pay for all of our employee agents' equipment, dues, and marketing expenses, and provide training for each new hire, with a multi-week course for agents in our largest markets. Virtually every lead agent also receives support from transaction coordinators, support staff, marketing assistants, and local management. We believe that the combined effect of these investments is more productive lead agents and better customer service.

Redfin Partner Program

To serve customers when our own agents can't due to high demand or geographic limitations, we've developed partnerships with over 3,100 agents at other brokerages. Once we refer a customer

to a partner agent, that agent, not us, represents the customer from the initial meeting through closing, at which point the agent pays us a portion of her commission as a referral fee. As part of our commitment to low fees, we directly issue the customer a $500 check in connection with the purchase or sale of any home costing $200,000 or more.

Rather than countering seasonal and cyclical changes in demand by recruiting a surplus of agents, we rely on partner agents to handle demand swings. We built our partner program so our lead agents can deliver consistently high-quality service at busy times, and so we can limit the effect of fixed expenses when demand falters. Anytime we have more customers than our lead agents can serve well, our website and mobile application refer those customers to our partners.

Each day, our website and mobile application make hundreds of thousands of decisions about whether customers are best served by a lead agent or a partner agent; our managers and executives meet weekly to calibrate this system based on our assessment of customer-satisfaction levels, hiring plans, monthly average visitors, and economic conditions. The data we gather comparing the customer satisfaction and close rates of our lead agents to partner agents also lets us benchmark our service quality from market to market.

Because the Redfin Partner Program is designed to ensure that every customer gets high-quality service, we require each partner agent to have completed at least five sales in the last 12 months, then subject the partner agent to a rigorous online and in-person screening process. We also survey customers who work with our partner agents, removing from the program partner agents who do not maintain high service levels.

Homebuyer Experience

We seek to provide every homebuyer with fast service, low fees, and an agent completely on that buyer's side. Our lead agents can join each homebuyer's online search, commenting on the buyer's favorite listings, answering questions, or recommending listings the buyer might have overlooked. Our shared-search tool allows homebuyers to share favorite homes and seamlessly communicate with anyone. Customers who use our shared-search tool are three times more likely to buy a home with us. With a few taps of a mobile-phone button, a Redfin homebuyer can schedule home tours before many buyers even realize these homes are for sale. Our lead agent hosting the tour earns bonuses based on customer reviews, not just commissions, encouraging the candor customers need to make the best decision about which home to buy.

We recently introduced a fast-offer capability in selected markets: on the front steps of a listing the customer likes, our lead agent uses our technology to draft an offer in minutes, with the goal of beating competing homebuyers to the punch. During the inspections and appraisals, we track contracts and tasks in an online deal room to keep the closing on schedule.

Home Seller Experience

We seek to give every home seller honest advice on how to price her property; the best marketing, primarily online; and the lowest fees. Our industry-leading algorithms for calculating what a home is worth lead to a better pricing recommendation in the initial consultation. We believe this is one reason Redfin listings sell for more relative to the list price than other brokers', and are more likely to sell in the first 90 days on market.

A homeowner can see our lead agents' nearby sales paired with customer reviews to decide whether we have the local expertise to sell her home. When we prepare a home for sale, we film an interactive, three-dimensional virtual scan of the home that lets potential homebuyers walk through the property online, boosting its appeal to out-of-town buyers.

To increase demand, we promote each Redfin listing on our website and mobile application. Our website has more than double the visits of any competing brokerage website. We drive additional demand through targeted email as well as other channels like Facebook, using advanced algorithms to promote the listing to the right homebuyers. We also share the listing with every major real estate website. An online dashboard tracks traffic to the listing and an iPad application registers in-person visits to open houses, so our home sellers make better decisions about pricing, marketing, and offer negotiations.

We believe listing more homes and drawing more homebuyers to our website and mobile application will let us pair homebuyers and home sellers directly online over time, further improving our service and lowering our costs.

Our Value Proposition

Customers Get Better Service

Our Net Promoter Score is 50, compared to the industry average of 38, as measured by a study we commissioned in May 2017.

Measurable Results

Redfin listings were on the market for an average of 30 days in 2016 compared to the industry average of 36 days according to a study we commissioned. And approximately 75% of Redfin listings sold within 90 days versus the industry average of approximately 71% according to the same study.

Customers Save Money

We give homebuyers a portion of the commissions that we earn. We typically earn 2.5% to 3% of a home's value for representing a homebuyer, and we contributed an average of approximately $3,500 per transaction through a commission refund or a closing-cost reduction in 2016. We returned a total of approximately $62.4 million to customers in commission refunds or closing-cost reductions in 2016. The commission refund or closing-cost reduction depends on the home's value and lender approval, and some states prohibit commission refunds altogether.

Consumers selling a home with a traditional brokerage typically pay total commissions of 5% to 6% of the sale price, with 2.5% to 3% going to their agent and another 2.5% to 3% to the agent representing the buyer. Redfin home sellers typically pay only 1% to 1.5% of their home's sale price to us, depending on the market and subject to market-by-market minimums. So we can readily sell our listings to any homebuyer, including a buyer represented by a competing brokerage, we typically recommend that our home sellers still offer a 2.5% to 3% commission to the buyer's agent. As a result, we typically save our home sellers 1% to 2% of the total sales prices on average listing fees.

In late 2014, we lowered our home seller commission from 1.5% to 1% in Washington, D.C., Virginia, and Maryland. Seeing accelerating share gain in those markets, we rolled out 1% listing fees in Seattle, Chicago, and Denver in late 2016.

Our Markets

We operate in 84 markets across 37 states and Washington, D.C. These markets cover approximately 70% of the United States by population. For 2016, we had 0.5% of U.S. market share, representing a 61% increase from 2014 and a 22% increase from 2015. We measure U.S. market share using transaction-volume data from NAR, and we include the value of transactions completed by our partner agents for sales referred from our website and mobile application. As we further realize the benefits of increasing scale, we'll evaluate new markets to enter.

Growth Strategies

Grow Share in Existing Markets

We have a strong track record of gaining share across nearly all of our markets, including the markets open more than a decade. We have studied cohorts of our markets opened in similar time frames. We have gained market share, increased real estate revenue, and increased real estate gross margin in all of the cohorts in each of the years studied. Our year-to-year market share gains have been largely consistent across cohorts.

As we gain local market share, our service gets even better. By doing more transactions in a smaller area, agents increase their local knowledge. We capture more customer-interaction data, powering analytics such as our listing recommendation engine. Potential customers see our yard signs more often and hear from other customers about our service. We believe these factors fuel further market share gains.

We believe listing share lets us provide better online search results, because we post Redfin listings to our website first in many markets, with exclusive photos about each listing. We further believe that as we gain share, more homebuyers will want to work with us to gain access to our listings, and we'll get more listings from home sellers seeking access to our homebuyers. As this flywheel starts turning, we plan to invest more to connect homebuyers and home sellers directly.

We believe transactions from our repeat and referral customers will continue to play a larger role in our market share gains. According to NAR, homeowners sell their homes every nine years on average, suggesting that repeat business takes a long time to build. At Redfin, we're now seeing our customers come back to sell a home we helped them buy many years before. We had 53% more repeat transactions in 2016 as compared to 2015, and 81% more transactions from customer referrals in that same period. The rate at which our customers return to us for another transaction is 37% higher than the industry average. With tens of thousands of new customers each year, and higher rates of customer satisfaction, we believe we can drive future share gains as those customers choose to work with us again and refer our services to their friends and family.

Offer a Complete Solution

We're continuously evaluating and introducing new services to become an end-to-end solution for customers buying and selling a home.

Title and Mortgage Services

Our experience with Title Forward, our title and settlement business, demonstrates that many Redfin customers are open to buying more services from us. In 2016, in the eight states where Title Forward operated, 46% of our homebuyers also chose our title and settlement service. In the first quarter of 2017, we began originating and underwriting loans through Redfin Mortgage. Our goal is to build technology for Redfin Mortgage that will ultimately support a completely digital closing, leading to efficiency gains for our brokerage, title, and mortgage businesses. For more information on Redfin Mortgage, please see "—Redfin Mortgage Operations."

Redfin Now

In the first quarter of 2017, we began offering an experimental new service called Redfin Now, where we buy homes directly from home sellers. Customers who sell through Redfin Now will typically get less money for their home than they would listing their home with a real estate agent, but get that money faster with less risk and fuss. We believe our industry-leading algorithms for calculating what a

home is worth will limit the risk that the price we pay a Redfin Now customer for her home is below the price we charge a new buyer for that home. And we believe our ability to reach more than 20 million monthly average visitors through our website and mobile application, coupled with our network of Redfin buyers, will let us effectively resell the homes we purchase through Redfin Now.

We currently offer Redfin Now to a limited number of customers in two markets. We intend to evaluate the results of the Redfin Now test to determine if we should expand the service to more markets. There was no revenue from Redfin Now home sales for all periods presented.

Our Culture of Service and Thrift

Service is fundamental to our "everyone-sweeps-the-floors" culture: our executives serve our employees, and our employees serve our customers. As part of this humility, we recognize that everyone can be a leader. An agent can imagine better software; an engineer can imagine better service. The only way we can use technology to make real estate better is by working together, in a way we believe that few pure technology or pure service companies can.

Another tenet of our culture is thrift. We may be a next-generation real estate brokerage, but we're old-fashioned about stockholder value. We continued to grow through the darkness of the 2008 real estate crisis as we fought to make a margin-sensitive, headcount-intensive business work with the resources we had. Next week, next year, some day, that darkness will return, and we believe that our formative experiences will make us better prepared for it than others.

This has long been known at Redfin as a "rabid squirrel" state of mind. We often remind ourselves that every employee is paid by the sweat of a real estate agent's brow. It's the way we always want to be.

Our Employees

As of June 30, 2017, we had a total of 2,193 employees, of which 2,164 were full-time employees. 18.8 percent of our total employees were located at our headquarters in Seattle, Washington.

Marketing

Because we serve customers from their first online visit until the closing, we know how much we can afford to spend to meet a customer and which marketing channels provide the best returns on investment. With potential customers sometimes hopping between websites and different individual real estate agents over a year or more during a home search—and as often deciding against a move—it's easy for an advertiser to lose track of who actually closes.

We analyze billions of interactions from customers and potential customers in our databases. We can pay more for one particular Facebook ad if we have determined that the people who click on it are extremely likely to buy a home. We can remove a marketing campaign from our own website that leads to more consumers contacting our agents, but fewer actual sales. At any given moment, we're running over a hundred experiments on our website and mobile tools, with many more experiments running on third-party channels, to identify the most effective advertising.

We apply this data-driven approach to decisions about which pages to optimize for search engine traffic, what combination of email messages drives the most sales, and which moments in a TV commercial inspire the strongest consumer response.

The goal of this data-driven approach to marketing is a formula for driving increased customer awareness in a cost-effective manner through both digital and traditional advertising channels:

- *Search engine optimization*. Our engineering teams constantly upgrade our website content and performance so thattop-trafficked search engines find and rank our results for properties, neighborhoods, and regions. We believe this improves the customer experience and our ranking on high-traffic search engines.

- *Targeted-email campaigns.* We run targeted-email campaigns to connect with customers. These email campaigns, powered by machine learning, recommend relevant new listings to homebuyers and home sellers at what we believe are key moments throughout their interactions with us.

- *Paid-search advertising*. We advertise with top-trafficked search engines, regularly adjusting our bidding on key words and phrases, and modifying campaigns based on results.

- *Social media marketing*. We purchase targeted ads on social media networks such as Facebook and Twitter to generate traffic for our listings and attract new customers.

- *Traditional media*. We market through a mix of traditional media, including TV, radio, and direct mailings. We've been advertising on TV since 2014, and we continue to invest in TV advertising.

Technology Development

We build almost all of our own software, with more than 170 engineers and product managers based in Seattle and San Francisco. The audience for our software includes consumers visiting our website and our mobile application, customers of our brokerage, of Redfin Mortgage, and of Title Forward, as well as our real estate teams and our partner agents.

Our focus is on software that makes real estate fundamentally more efficient, and we believe our competitive advantage is a deeper understanding of how real estate works, gained by working with our lead agents and transaction coordinators. Lead agents and support teams participate in the development of our brokerage software, including for scheduling tours, preparing offers, pricing homes, chatting with customers, and monitoring the closing process.

Our obsession with efficiency extends beyond real estate to our own software development practices. We aim to hire a relatively small number of deeply technical engineers who understand that every expense matters. We have engineers dedicated to building software that makes the rest of our engineers more productive. And we measure the results of every major software project, eliminating features that do not make a difference to our customers or agents so as to avoid maintenance costs over time.

We contract with third-party software developers on a limited basis for specific projects. Our primary website servers operate from a co-location facility in Seattle, Washington, and we use a variety of third-party cloud-based software and services.

For 2015, 2016, and the three months ended March 31, 2017, technology and development expenses were 15%, 13%, and 16% of revenue, respectively.

Competition

The residential brokerage industry is highly fragmented. There are an estimated 2,000,000 active licensed agents and over 86,000 real estate brokerages in the United States. We face intense

competition nationally and in each of the markets we serve. We compete primarily against other residential real estate brokerages, which include franchise operations affiliated with national or local brands, and small independent brokerages. We also compete with a growing number of Internet-based brokerages and others who operate with novel business models. Competition is particularly intense in some of the densely populated metropolitan markets we serve, as they are dominated by entrenched real estate brokerages with potentially greater financial resources, superior local referral networks, name recognition and perceived local knowledge and expertise. We also compete for traffic against online real estate data websites that aggregate listings and sell advertising to traditional brokers.

Our industry has evolved rapidly in recent years in response to technological advancements, changing customer preferences, and new offerings. We expect increasing competition from technology-enabled competitors, including new brokerages with technology-driven business models, as well as traditional brokerages that acquire or build businesses or technology to enhance their offerings.

We believe we compete primarily based on:

- access to timely, accurate data about homes for sale;
- traffic to our website and mobile application;
- the speed and quality of our service, including agent responsiveness and local knowledge;
- our ability to hire and retain agents who deliver the best customer service;
- the costs of delivering our service and the price of our service to consumers;
- consumer awareness of our service and the effectiveness of our marketing efforts;
- technological innovation; and
- depth and breadth of local referral networks.

We believe that our customer-focused values and technology differentiate us from our competitors and that we compete favorably with respect to the factors above.

Redfin Mortgage Operations

In the first quarter of 2017, we began originating and underwriting mortgage loans to customers in Texas through Redfin Mortgage, a wholly owned subsidiary. Redfin Mortgage funds its loans using two separate warehouse credit facilities, each with a loan limitation of $10.0 million. Funding of each loan is at the warehouse lenders' discretion, and the warehouse lenders take a security interest in each loan. While Redfin Mortgage only originates loans upon receiving purchase commitments from third-party financial institutions, these commitments are subject to origination quality standards and these institutions still retain contractual rights to reject the loans. Redfin Mortgage may be required to repurchase the warehouse lenders' entire interest if the mortgage loan is not sold to a third party after a specified deadline. Redfin guarantees Redfin Mortgage's obligations under each warehouse facility, and along with Redfin Mortgage, is required to meet certain financial and operating conditions for the duration of each facility.

Redfin Mortgage intends to sell every loan to third-party investors pursuant to one of three existing correspondent relationships. Redfin Mortgage does not intend to retain or service any loans. Redfin Mortgage intends to offer conventional conforming and jumbo loans, with both fixed and

adjustable interest rate products available. Redfin Mortgage intends to offer loans to customers who are making down payments of less than 20% of the purchase price for which mortgage insurance will be required.

Redfin Mortgage assesses potential borrowers' creditworthiness according to investor and agency guidelines, including the borrower's credit score, income, and asset and liability ratios. Redfin Mortgage does not intend to perform ongoing assessment of credit quality once the loans have been sold to third-party financial institutions. Redfin Mortgage currently accepts applications from customers in Texas, however we may expand to additional states in the future.

Regulatory Matters

We are subject to a wide variety of laws, rules, and regulations enforced by both governments and private organizations. Many of these rules and regulations are constantly evolving. If we are unable to comply with them, we could be subject to civil and criminal liabilities, revocation, or suspension of our licenses or other adverse actions. We may also be required to modify or discontinue some or all of our offerings, and our ability to grow our business and our reputation may be harmed. See "Risk Factors" for a discussion of our regulatory risks.

Brokerage Service Regulation

Brokerage businesses are primarily regulated at the state level by agencies dedicated to real estate matters or professional services.

State Regulation

Real estate brokerage licensing laws vary widely from state to state. Generally all individuals and entities acting as real estate brokers or salespersons must be licensed in each state where they operate. Licensed agents must be affiliated with a broker to engage in licensed real estate brokerage activities. Generally, a corporation must obtain a corporate real estate broker license, although in some states the licenses are personal to individual brokers. The broker in all states must actively supervise the individual licensees and the corporation's brokerage activities within the state. All licensed market participants, whether individuals or entities, must follow the state's real estate licensing laws and regulations. These laws and regulations generally detail minimum duties, obligations, and standards of conduct, including requirements related to contracts, disclosures, record-keeping, local offices, trust fund handling, agency representation, advertising regulations, and fair housing. In each of the states and Washington, D.C., where our operations so require, we have designated a properly licensed broker and, where required, we also hold a corporate real estate broker's license.

Federal Regulation

Several federal laws and regulations govern the real estate brokerage business, including federal fair housing laws such as the Real Estate Settlement Procedures Act of 1974, or RESPA, and the Fair Housing Act of 1968, or FHA.

RESPA restricts kickbacks or referral fees that real estate settlement service providers such as real estate brokers, title and closing service providers, and mortgage lenders may pay or receive in connection with the referral of settlement services. RESPA also requires certain disclosures regarding certain relationships or financial interests among providers of real estate settlement services. RESPA provides a number of exceptions that allow for payments or splits between service providers, including market-rate compensation for services actually provided.

RESPA is administered by the Consumer Financial Protection Bureau, or CFPB. The CFPB has applied a strict interpretation of RESPA and related regulations and often enforces these

regulations in administrative proceedings. Consequently, industry participants have modified or terminated a variety of business practices to avoid the risk of protracted and costly litigation or regulatory enforcement.

The FHA prohibits discrimination in the purchase or sale of homes. The FHA applies to real estate agents and mortgage lenders, among others. The FHA prohibits expressing any preference or discrimination based on race, religion, sex, handicap, and certain other protected characteristics. The FHA also applies broadly to many forms of advertising and communications, including MLS listings and insights about home listings.

Local Regulation

In additional to state and federal regulations, residential transactions may also be subject to local regulations. These local regulations generally require additional disclosures by parties or agents in a residential real estate transaction, or the receipt of reports or certifications, often from the local governmental authority, prior to the closing or settlement of a real estate transaction.

MLS Rules

We are also subject to rules, policies, data licenses, and terms of service established by over 130 MLSs of which we are a participant. These rules, policies, data licenses, and terms of service specify, among other things, how we may access and use MLS data and how MLS data must be displayed on our website and mobile application. The rules of each MLS to which we belong can vary widely and are complex. NAR, as well as state and local associations of REALTORS®, also have codes of ethics and rules governing members' actions in dealings with other members, clients, and the public. We must comply with these codes of ethics and rules as a result of our membership in these organizations.

Title Service Regulation

Many states license and regulate title agencies or settlement service providers, their employees and underwriters. In many states, title insurance rates are either state-regulated or are required to be filed with each state by the agent or underwriter, and some states regulate the split of title insurance premiums between the agent and the underwriter. States also require title agencies and title underwriters to meet certain minimum financial requirements for net worth and working capital.

Mortgage Products and Services Regulation

Our mortgage business is subject to extensive federal, state, and local laws and regulations. Mortgage products are regulated at the state level by licensing authorities and administrative agencies, with additional oversight from the CFPB. We are required to obtain licensure as a mortgage banker or lender pursuant to applicable state law, and we are currently licensed to originate mortgage loans in Washington and Texas only.

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 requires all states to enact laws requiring individuals acting as mortgage loan originators to be individually licensed or registered. In addition to licensing requirements, we must also comply with numerous federal consumer protection laws, including, among others, the Fair Debt Collection Practices Act, Truth in Lending Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, Homeowners Protection Act, Home Mortgage Disclosure Act, National Flood Insurance Reform Act of 1994, and the FHA.

Privacy and Consumer Protection Regulation

We are subject to a variety of federal and state laws relating to our collection, use, and disclosure of data collected from our website and mobile users. Additionally, we are subject to

regulations relating to the manner and circumstances under which we or third parties may market and advertise our products and services to customers, such as "Do Not Email" laws, U.S. Federal Trade Commission regulations and other state and federal laws regarding data protection and retention, privacy, advertising, unfair or deceptive acts or practices, and consumer protection, which are continuously evolving.

Redfin Mortgage receives, transmits and stores personally identifiable information from our customers to process mortgage applications and transactions. The sharing, use, disclosure, and protection of such information is governed by federal, state, and international laws regarding privacy and data security, all of which are frequently changing.

Labor Regulation

We are subject to federal and state regulations relating to our employment and compensation practices. We retain third-party licensed sales associates as associate agents, whom we classify as independent contractors. Independent contractor classification is subject to a number of federal and state laws. See "—Legal Proceedings" for a discussion of three lawsuits, each of which includes class and/or representative claims, filed by former third-party licensed sales associates against us, alleging that they were improperly classified as independent contractors.

Intellectual Property

We rely on a combination of patents, trademarks, and trade secrets, as well as contractual provisions and restrictions, to protect our intellectual property. As of June 30, 2017, we owned 10 U.S. patents, which expire between 2026 and 2034, and had 15 U.S. patent applications and one Canadian patent application. These patents and patent applications seek to protect proprietary inventions relevant to our business. While we believe our patents and patent applications in the aggregate are important to our competitive position, no single patent or patent application is material to us as a whole. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective.

As of June 30, 2017, we owned 18 U.S. and two Canadian trademark registrations, including "Redfin," "Walk Score," "Title Forward" and related logos and designs. We also own three pending trademark applications, including "Redfin Estimate," and several domain names including "Redfin," "WalkScore," our other trademarks, and similar variations.

We rely on trade secrets and confidential information to develop and maintain our competitive position. We seek to protect our trade secrets and confidential information through a variety of methods, including confidentiality agreements with employees, third parties, and others who may have access to our proprietary information. We also require employees to sign invention assignment agreements with respect to inventions arising from their employment, and strictly control access to our proprietary technology.

Facilities

We lease all of our facilities. Our principal executive office is in Seattle, Washington. The facility currently consists of approximately 84,000 square feet of space, and will expand to a total of approximately 113,000 square feet of space in January 2019. Our current lease, entered into in May 2016 and amended and restated in June 2017, expires in August 2027 with two options to extend the lease for an additional seven years each.

We also lease additional office space in Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Maryland, Massachusetts, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio,

Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Washington, D.C. We intend to procure additional space in the future as we continue to add employees and expand our business. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

From time to time we are involved in litigation, claims, and other proceedings relating to the conduct of our business. Such litigation and other proceedings may include, but are not limited to, actions relating to employment law and misclassification, intellectual property, commercial arrangements, brokerage or real estate disputes, and vicarious liability based upon conduct of individuals or entities outside of our control including partner agents. Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and could require significant management time and resources. Litigation and regulatory proceedings could result in unexpected expenses and liabilities, and could materially adversely affect our reputation and results of operations. Other than with respect to the matters described below, we are not presently a party to any legal proceedings that in the opinion of management, if determined adversely to us, would individually or taken together reasonably be expected to result in a material loss.

Misclassification

In 2013, third-party licensed sales associates filed three lawsuits against us in the Superior Court of the State of California. Two of the actions, which are pled as “class actions,” were removed to, and are now pending in, the Northern District of California. One of these cases also includes representative claims under California’s Private Attorney General Act, Labor Code section 2698 et seq, or PAGA. The third action is pending in the Los Angeles County Superior Court and asserts representative claims under PAGA. All three complaints allege that the plaintiffs and other licensed sales associates in California should be classified as employees instead of independent contractors. The claims vary from case to case, but generally seek compensation for unpaid wages, overtime, failure to provide meal and rest periods as well as reimbursement of business expenses. Each of these cases has been ordered to arbitration.

In June 2017, we entered into an agreement to resolve these cases for an aggregate payment of $1.8 million. The settlement class contemplated by the agreement includes all current and former third-party licensed sales associates engaged by Redfin in California from January 16, 2009 through April 29, 2017. This settlement agreement is subject to court approval.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of May 31, 2017.

Name	Age	Position(s)
Executive Officers		
Glenn Kelman	46	President, Chief Executive Officer, and Director
Chris Nielsen	50	Chief Financial Officer
Bridget Frey	39	Chief Technology Officer
Scott Nagel	52	President of Real Estate Operations
Adam Wiener	38	Chief Growth Officer
Non-Employee Directors		
Robert Bass(1)(3)	67	Director
Julie Bornstein(3)	47	Director
Andrew Goldfarb*	49	Director
Paul Goodrich(2)	71	Director
Austin Ligon(1)	66	Director
Robert Mylod, Jr.(1)	50	Chairman of the Board
James Slavet(2)	47	Director
Selina Tobaccowala	40	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.
* Mr. Goldfarb intends to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement to which this prospectus forms a part.

Executive Officers

Glenn Kelman has served as our President and Chief Executive Officer and as a member of our board of directors since March 2006 after serving in a number of executive-level roles since 2005. Before joining us, Mr. Kelman was the co-founder of Plumtree Software, Inc., a provider of enterprise portal software products, where he served as Vice President of Marketing and Product Management from 1997 to 2004. Mr. Kelman holds a B.A. in English from University of California, Berkeley. We believe that Mr. Kelman's deep understanding of our company and his real estate industry experience qualifies him to serve on our board of directors.

Chris Nielsen has served as our Chief Financial Officer since June 2013. Before joining us, Mr. Nielsen served as Chief Financial Officer and Chief Operating Officer at Zappos.com, an online shoe and clothing subsidiary of Amazon.com, Inc., from 2010 to June 2013. Prior to that, Mr. Nielsen served as Vice President, Home & Garden, and in various finance roles, at Amazon.com, Inc., an electronic commerce and cloud computing company, from 2003 to 2010. Mr. Nielsen holds a B.S. in Industrial Engineering from Stanford University and an M.B.A from MIT Sloan School of Management.

Bridget Frey has served as our Chief Technology Officer since February 2015 and previously as our Senior Vice President, Engineering from September 2014 to February 2015. Ms. Frey joined us in June 2011 as Director of Analytics Engineering and also served as our Vice President, Seattle Engineering from April 2012 to September 2014. Before joining us, Ms. Frey held various positions at Lithium Technologies, Inc., a software company, from 2007 to 2011, including as Director of Analytics and Business Applications and a principal software engineer. Ms. Frey holds an A.B. in Computer Science from Harvard College.

Scott Nagel has served as our President of Real Estate Operations since April 2013 and previously as our Chief of Real Estate Operations from May 2012 to April 2013. Mr. Nagel joined us in 2007 as Vice President of Real Estate. Before joining us, Mr. Nagel served as Managing Director at LexisNexis, a division of Reed Elsevier Inc., a provider of legal research services, from 2003 to 2007. Prior to that, Mr. Nagel also served as Director, Client Solutions Group at Applied Discovery, Inc., a provider of electronic discovery services, from 2000 to 2003. Mr. Nagel holds a B.A. in Political Science from the University of Washington and a J.D. from Seattle University School of Law.

Adam Wiener has served as our Chief Growth Officer since May 2015. Mr. Wiener joined us in 2007 and previously served in various positions of increasing leadership, including as Lead Product Manager; Director, Partner Programs and New Products; Vice President, Analytics and New Business; and Senior Vice President, Marketing Analytics and New Business. Before joining us, Mr. Wiener served as Lead Program Manager at Microsoft, Inc., a global technology company, from 2002 to 2007. Mr. Wiener holds a B.S. in Symbolic Systems from Stanford University.

Non-Employee Directors

Robert Bass has served as a member of our board of directors since October 2016. Mr. Bass served as a vice chairman of Deloitte LLP from 2006 through June 2012, and was a partner at Deloitte LLP from 1982 through June 2012. Mr. Bass also serves on the board of directors of Groupon, Inc., a global leader in online local commerce, Sims Metal Management Ltd, a metals and electronics recycling company, and Apex Tool Group, LLC, a manufacturer of professional hand and power tools. We believe that Mr. Bass's experience and knowledge of public company financial reporting and accounting, including with respect to companies in the online services sector, and his accounting firm leadership experience, qualifies him to serve on our board of directors.

Julie Bornstein has served as a member of our board of directors since October 2016. Since March 2015, Ms. Bornstein has served as Chief Operating Officer at Stitch Fix, Inc., an online styling services company. Prior to that, Ms. Bornstein served as Chief Marketing and Digital Officer at Sephora, a cosmetic products company and subsidiary of LVMH Moët Hennessy Louis Vuitton SE, from 2007 to March 2015. Ms. Bornstein also previously served on the boards of directors of a number of private companies. Ms. Bornstein holds an A.B. in Government from Harvard College and an M.B.A. from Harvard Business School. We believe that Ms. Bornstein's senior leadership experience at various online services companies qualifies her to serve on our board of directors.

Andrew Goldfarb has served as a member of our board of directors since April 2013. Mr. Goldfarb co-founded and has been serving as the Executive Managing Director of Globespan Capital Partners, a venture capital firm, since 2003. Mr. Goldfarb currently serves on the board of directors of a number of private companies. Mr. Goldfarb holds an A.B. in East Asian Studies and Economics from Harvard College and an M.B.A. from Harvard Business School. We believe that Mr. Goldfarb's experience advising and managing growth-oriented technology companies qualifies him to serve on our board of directors.

Paul Goodrich has served as a member of our board of directors since September 2005 and previously served as chairman of our board of directors from 2005 until August 2016. Mr. Goodrich has served as a Managing Director of Madrona Venture Group since 1995. Previously, Mr. Goodrich was a partner at Perkins Coie LLP, an international law firm, a co-founder of William D. Ruckelshaus Associates, an environmental consulting company, and a general partner of the Environmental Venture Fund, a venture capital fund. Mr. Goodrich currently serves on the board of directors of a number of private companies. Mr. Goodrich holds a B.A. in Economics from Amherst College and a J.D. from the University of Utah Law School. We believe that Mr. Goodrich's experience advising and managing growth-oriented technology companies qualifies him to serve on our board of directors.

Austin Ligon has served as a member of our board of directors since September 2010. Previously, Mr. Ligon served as Chief Executive Officer of CarMax, Inc., America's largest used-car retailer, operating both through stores and online, from 2002 to 2006. Mr. Ligon also serves on the board of directors of a private online services company. Mr. Ligon holds a B.A. in the Plan II Honors Program and an M.A. in Economics from the University of Texas at Austin, as well as an M.B.A. from Yale School of Management. We believe that Mr. Ligon's executive officer experience at an online retailer with distributed field operations qualifies him to serve on our board of directors.

Robert Mylod, Jr. has served as a member of our board of directors since January 2014 and has served as chairman of our board of directors since August 2016. Mr. Mylod has served as the Managing Partner of Annox Capital since January 2012. Previously, Mr. Mylod was Chief Financial Officer and Vice Chairman, Head of Worldwide Strategy and Planning at The Priceline Group, Inc., an online travel services provider. Mr. Mylod also currently serves on the board of directors of The Priceline Group, Inc. Mr. Mylod holds an A.B. in English from the University of Michigan and an M.B.A. from the University of Chicago Booth School of Business. We believe that Mr. Mylod's experience as a venture capital investor and a senior finance executive, including as the chief financial officer of a large publicly-traded online services provider, qualifies him to serve on our board of directors.

James Slavet has served as a member of our board of directors since November 2009. Mr. Slavet has served as a Partner of Greylock Partners since 2006. Previously, Mr. Slavet served as Vice President/General Manager in Search & Marketplace at Yahoo! Inc., a global technology company from 2004 to 2006. Prior to that, Mr. Slavet founded and served as Chief Operating Officer of Guru Inc., an online contractor marketplace subsequently acquired by Unicru, Inc. Mr. Slavet currently serves on the board of directors of a number of private companies. Mr. Slavet holds a B.A. in Public Policy from Brown University and an M.B.A. from Harvard Business School. We believe that Mr. Slavet's experience advising and managing growth-oriented technology companies, including as an operating executive, qualifies him to serve on our board of directors.

Selina Tobaccowala has served as a member of our board of directors since January 2014. Ms. Tobaccowala has served as Chief Executive Officer and co-founder of Gixo Inc. since April 2016 and previously served as President and Chief Technology Officer of SurveyMonkey Inc., an online survey development company, from October 2009 to April 2016. Previously, Ms. Tobaccowala was Senior Vice President of Product & Technology at Ticketmaster Europe, Inc., an online retailer of tickets for events and subsidiary of Ticketmaster Entertainment, Inc., which was subsequently acquired by Live Nation Entertainment, and co-founder and Vice President of Engineering at Evite, Inc., an online social-planning website and subsidiary of IAC/InterActiveCorp, which was subsequently acquired by Liberty Media Group. Ms. Tobaccowala holds a B.S. in Computer Science from Stanford University. We believe that Ms. Tobaccowala's senior leadership experience at multiple online services companies qualifies her to serve on our board of directors.

Election of Officers

Our executive officers are appointed by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Codes of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The full text of our code of conduct will be posted on the investor relations section of our website at www.redfin.com. The reference to our website address in this prospectus does not include or

incorporate by reference the information on our website into this prospectus. We intend to disclose future amendments to certain provisions of our code of conduct, or waivers of these provisions, on our website or in public filings to the extent required by the applicable rules and exchange requirements.

Board of Directors Composition

Our board of directors may establish the authorized number of directors from time to time by resolution. Our board of directors currently consists of nine members and will consist of eight members upon the completion of this offering. All of our non-employee directors are independent within the meaning of the independent director guidelines of NASDAQ. Our current certificate of incorporation and amended and restated voting agreement among certain of our stockholders provide for (1) one director to be designated by holders of our Series A preferred stock, who is currently Mr. Goodrich; (2) one director to be designated by holders of our Series D preferred stock, who is currently Mr. Slavet, (3) one director to be designated by holders of our Series E preferred stock, who is currently Mr. Goldfarb; (4) one director to be our current Chief Executive Officer, who is currently Mr. Kelman; and (5) five remaining directors to be designated by the other members of our board of directors, who are currently Messrs. Mylod, Ligon, and Bass, and Mss. Tobaccowala and Bornstein.

The provisions of our current certificate of incorporation and our amended and restated voting agreement by which our directors were elected will terminate in connection with this offering and there will be no contractual obligations regarding the election of our directors. Each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation or removal.

Classified Board of Directors

Upon completion of this offering, our board of directors will be divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring. As a result, only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- the Class I directors will be , and , and their terms will expire at the first annual meeting of stockholders to be held after completion of this offering;
- the Class II directors will be , and , and their terms will expire at the second annual meeting of stockholders to be held after completion of this offering; and
- the Class III directors will be , and , and their terms will expire at the third annual meeting of stockholders to be held after completion of this offering.

Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. Our restated certificate of incorporation and bylaws that will become effective immediately prior to the completion of this offering will authorize only our board of directors to fill vacancies on our board of directors. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company. See "Description of Capital Stock—Anti-Takeover Provisions—Restated Certificate of Incorporation and Restated Bylaw Provisions."

Director Independence

In connection with this offering, we have applied to list our common stock on The NASDAQ Global Select Market. Under the rules of NASDAQ, independent directors must comprise a majority of a listed company's board of directors within a specified period of the completion of this offering. In addition, the rules of NASDAQ require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent. Under the rules of NASDAQ, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries. We intend to satisfy the audit committee independence requirements of Rule 10A-3 as of the completion of this offering.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that all of our non-employee directors are "independent directors" as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of NASDAQ. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described under "Certain Relationships and Related-Party Transactions."

Committees of the Board of Directors

Our board of directors has an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below as of the closing of our initial public offering. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee will operate under a charter approved by our board of directors. Following this offering, copies of each committee's charter will be posted on the investor relations section of our website at www.redfin.com.

Audit Committee

Our audit committee is comprised of Messrs. Bass, Ligon, and Mylod. Mr. Bass is the chairman of our audit committee. The composition of our audit committee meets the requirements for independence under the current NASDAQ and SEC rules and regulations. Each member of our audit committee is financially literate. In addition, our board of directors has determined that Mr. is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act. This designation does not impose on him any duties, obligations, or liabilities that are greater than are generally imposed on members of our audit committee and our board of directors. The audit committee assists our board of directors in overseeing the quality and integrity of our accounting, auditing, and reporting practices. The audit committee's role includes:

- overseeing the work of our accounting function and internal controls over financial reporting;

- overseeing internal audit processes;
- inquiring about significant risks, reviewing our policies for risk assessment and risk management, including cybersecurity risks, and assessing the steps management has taken to control these risks;
- reviewing proposed waivers of the code of conduct for directors and executive officers; and
- reviewing compliance with significant applicable legal, ethical, and regulatory requirements.

Our audit committee is responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm engaged to issue audit reports on our consolidated financial statements and internal control over financial reporting. The audit committee relies on the expertise and knowledge of management and the independent registered public accounting firm in carrying out its oversight responsibilities.

Compensation Committee

Our compensation committee is comprised of Messrs. Slavet and Goodrich. Mr. is the chairperson of our compensation committee. The composition of our compensation committee meets the requirements for independence under the current NASDAQ listing standards and SEC rules and regulations. Each member of this committee is an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. Our compensation committee is responsible for, among other things:

- reviewing and approving, or recommending that our board of directors approve, the compensation of and compensatory agreements with our executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- administering our stock and equity incentive plans;
- reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans; and
- reviewing our overall compensation philosophy.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Mr. Bass and Ms. Bornstein. is the chairperson of our nominating and corporate governance committee. The composition of our nominating and corporate governance committee meets the requirements for independence under the current NASDAQ listing standards and SEC rules and regulations. Our nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending candidates for membership on our board of directors;
- reviewing and recommending changes to our corporate governance guidelines and policies;

- overseeing the process of evaluating the performance of our board of directors; and
- assisting our board of directors on corporate governance matters.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee during 2016.

Non-Employee Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of our board of directors in 2016. Other than as set forth in the table, in 2016, we did not make any equity awards or non-equity awards to or pay any other compensation to the non-employee members of our board of directors. Mr. Kelman, our Chief Executive Officer, received no compensation for his service as a director in 2016.

Name	Option Awards ($)(1)	Total ($)
Robert Bass(2)	$ 246,000	$ 246,000
Julie Bornstein(3)	184,500	184,500
Andrew Goldfarb	—	—
Paul Goodrich	—	—
Austin Ligon(4)	346,830	346,830
Robert Mylod, Jr.(5)	396,000	396,000
James Slavet	—	—
Selina Tobaccowala(6)	297,000	297,000

(1) The amounts reported in this column represent the aggregate grant date fair value of stock options granted to our non-employee directors during the year ended December 31, 2016 as computed in accordance with Accounting Standards Codification Topic 718. The inputs used in calculating the grant date fair value of all stock options granted by the Company in 2016 are set forth in Note 7 to our consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by our directors from the stock options. The only amounts expensed for the periods presented are those that have vested.
(2) As of December 31, 2016, Mr. Bass held options for the purchase of 200,000 shares of our common stock, 16,666 shares of which were vested as of such date.
(3) As of December 31, 2016, Ms. Bornstein held options for the purchase of 150,000 shares of our common stock, 12,500 shares of which were vested as of such date.
(4) As of December 31, 2016, Mr. Ligon held options for the purchase of 112,700 shares of our common stock, 31,305 shares of which were vested as of such date.
(5) As of December 31, 2016, Mr. Mylod held options for the purchase of 400,000 shares of our common stock, 291,666 shares of which were vested as of such date.
(6) As of December 31, 2016, Ms. Tobaccowala held options for the purchase of 300,000 shares of our common stock, 218,750 shares of which were vested as of such date.

Following the completion of this offering, we intend to adopt a policy for compensating our non-employee directors with a combination of cash and equity.

EXECUTIVE COMPENSATION

The following tables and accompanying narrative disclosure set forth information about the compensation provided to our executive officers during 2016. These executive officers, who include our principal executive officer and the two most highly compensated executive officers (other than our principal executive officer) who were serving as executive officers at the end of 2016, were:

- Glenn Kelman, President, Chief Executive Officer and Director;
- Bridget Frey, Chief Technology Officer; and
- Scott Nagel, President of Real Estate Operations.

We refer to these individuals as our "named executive officers."

2016 Summary Compensation Table

The following table provides information regarding the compensation of our named executive officers who were serving as executive officers as of December 31, 2016.

Name and Principal Position	Salary ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Total ($)
Glenn Kelman *President and Chief Executive Officer*	$250,871	$ 68,258	$ —	$319,129
Bridget Frey *Chief Technology Officer*	250,681	396,000	121,000	767,681
Scott Nagel *President of Real Estate Operations*	250,724	396,000	211,750	858,474

(1) The amounts reported in this column represent the aggregate grant date fair value of stock options granted to our named executive officers during the year ended December 31, 2016 as computed in accordance with Accounting Standards Codification Topic 718. The inputs used in calculating the grant date fair value of all stock options granted by the Company in 2016 are set forth in Note 7 to our consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by our named executive officers from the stock options. The only amounts expensed for the periods presented are those that have vested.

(2) The amounts reported in this column represent the amounts earned under our 2016 executive bonus plan, all of which were paid in 2017. For additional information, see "—Non-Equity Incentive Plan Compensation."

Non-Equity Incentive Plan Compensation

Each of our named executive officers participated in our 2016 executive bonus plan, which is administered by our compensation committee. Each participant, other than Mr. Kelman whose performance metrics also included a requirement that we be profitable, was eligible to receive a cash bonus for 2016 based on our satisfaction of a minimum revenue and achievement of certain performance metrics pre-established by our compensation committee. These metrics included year-over-year growth targets for annual revenue, customer satisfaction as measured by Net Promoter Score, the number of monthly average visitors to our website and mobile application, and gross margin in certain of our large markets. The compensation committee established target and maximum levels of performance for each metric and following the end of 2016, reviewed the level of achievement of each performance goal against the pre-established targets, and approved the payment of the bonuses set forth in the Summary Compensation Table above.

Equity Awards

At the discretion of our board of directors, in February 2016 and September 2016, our board of directors granted Mr. Kelman an option to purchase 30,143 and 24,444 shares of common stock, respectively, with an exercise price per share of $2.99 and $2.70 per share, respectively. Each of the option awards granted to Mr. Kelman in 2016 was fully vested at the time of grant. Additionally, in May 2016, our board of directors granted each of Ms. Frey and Mr. Nagel options to purchase 300,000 shares of our common stock with an exercise price of $3.05 per share. Each of Ms. Frey's and Mr. Nagel's option awards vest with respect to 25% of the shares underlying the option on the one-year anniversary of the vesting commencement date and the remaining 75% of the shares underlying the option vest in 36 equal monthly installments.

Executive Employment Arrangements

Each of our named executive officers is employed at will and their compensation is reviewed periodically and subject to the discretion of our board of directors. In June 2017, we entered into amended and restated offer letters with each of our named executive officers. Each of these amended and restated offer letters provides for at-will employment and include each officer's base salary, a discretionary incentive bonus opportunity and standard employee benefit plan participation.

Outstanding Equity Awards at Year-End Table

The following table presents, for each of our named executive officers, information regarding outstanding stock options and other equity awards held as of December 31, 2016.

	Option Awards(1)				
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date
Glenn Kelman	08/16/2011	540,938	—	$ 0.12	08/16/2021
	07/26/2013	494,792	138,542(2)	1.25	11/26/2023
	11/23/2015	392,708	1,057,292(3)	2.87	11/23/2025
	02/03/2016	30,143	—	2.99	02/03/2026
	09/29/2016	24,444	—	2.70	09/29/2026
Bridget Frey	06/20/2011	143,750	—	0.12	08/16/2021
	03/01/2012	245,000	—	0.47	04/12/2022
	04/01/2013	320,833	29,167(3)	0.59	06/18/2023
	11/25/2013	57,812	17,188(3)	1.25	11/26/2023
	11/25/2013	231,250	68,750(3)	1.25	11/26/2023
	05/04/2014	121,073	66,395(3)	2.14	07/10/2024
	08/24/2014	60,974	43,553(3)	2.13	10/14/2024
	01/01/2015	335,416	364,584(3)	2.46	04/13/2025
	05/01/2015	60,701	92,649(3)	2.87	10/28/2025
	05/02/2016	—	300,000(3)	3.05	05/11/2026
Scott Nagel	12/08/2009	500,000	—	0.12	12/08/2019
	05/01/2011	200,000	—	0.12	08/16/2021
	04/01/2012	455,000	—	0.47	04/12/2022
	05/01/2013	582,291	67,709(3)	0.59	06/18/2023
	05/04/2014	134,525	73,772(3)	2.14	07/10/2024
	05/01/2015	149,486	228,165(3)	2.87	10/28/2025
	05/02/2016	—	300,000(3)	3.05	05/11/2026

(1) All of the outstanding equity awards were granted under our Amended and Restated 2004 Equity Incentive Plan.

(2) Vests in equal monthly installments over four years measured from the vesting commencement date.
(3) Vests with respect to 25% of the shares underlying the option on the one-year anniversary of the vesting commencement date and the remaining 75% of the shares underlying the option vest in equal monthly installments over three years.

Employee Benefit Plans

2017 Equity Incentive Plan

We intend to adopt a 2017 Equity Incentive Plan that will become effective on the date immediately prior to the date of this prospectus and will serve as the successor to our Amended and Restated 2004 Equity Incentive Plan. We intend to reserve shares of our common stock to be issued under our 2017 Equity Incentive Plan plus shares reserved but not issued or subject to outstanding grants under our 2004 Plan on the date immediately prior to the date of this prospectus. The number of shares that will be reserved for issuance under our 2017 Equity Incentive Plan will increase automatically on January 1 of each of 2018 through 2027 by the number of shares equal to 5% of the total outstanding shares of our common stock as of the immediately preceding December 31. However, our board of directors may reduce the amount of the increase in any particular year. In addition, the following shares will again be available for grant and issuance under our 2017 Equity Incentive Plan:

- shares subject to options or stock appreciation rights granted under our 2017 Equity Incentive Plan that cease to be subject to the option or stock appreciation right for any reason other than exercise of the option or stock appreciation right;
- shares subject to awards granted under our 2017 Equity Incentive Plan that are subsequently forfeited or repurchased by us at the original issue price;
- shares subject to awards granted under our 2017 Equity Incentive Plan that otherwise terminate without shares being issued;
- shares surrendered, cancelled, or exchanged for cash or a different award (or combination thereof);
- shares subject to awards granted under our 2004 Plan prior to the date of this prospectus that cease to be subject to such awards by forfeiture or otherwise after the date of this prospectus;
- shares issued under our 2004 Plan that are forfeited or repurchased by us at the original issue price after the date of this prospectus; and
- shares subject to awards under our 2004 Plan or 2017 Equity Incentive Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award.

Our 2017 Equity Incentive Plan will authorize the award of stock options, restricted stock awards, or RSAs, stock appreciation rights, or SARs, restricted stock units, or RSUs, performance awards and stock bonuses. No person will be eligible to receive more than shares in any calendar year under our 2017 Equity Incentive Plan other than a new employee of ours, who will be eligible to receive no more than shares under the plan in the calendar year in which the employee commences employment. No more than shares will be issued pursuant to the exercise of incentive stock options under our 2017 Equity Incentive Plan. The aggregate number of shares of our common stock that may be subject to awards granted to any one non-employee director

pursuant to the 2017 Plan in any calendar year shall not exceed such number of shares with an aggregate grant date value of (or $ for the calendar year in which a non-employee director first commences service on the Board).

Our 2017 Equity Incentive Plan will be administered by our compensation committee, all of the members of which are outside directors as defined under applicable federal tax laws, or by our board of directors acting in place of our compensation committee. The compensation committee will have the authority to construe and interpret our 2017 Equity Incentive Plan, grant awards, determine the terms of awards, and make all other determinations necessary or advisable for the administration of the plan.

Our 2017 Equity Incentive Plan will provide for the grant of awards other than incentive stock options to our employees, directors, consultants, independent contractors, and advisors, provided the consultants, independent contractors, directors, and advisors render services not in connection with the offer and sale of securities in a capital-raising transaction. Incentive stock options may be granted only to our employees.

A stock option is the right, but not the obligation, to purchase a share of our common stock at a certain price and upon certain conditions. The exercise price of stock options must be at least equal to the fair market value of our common stock on the date of grant. The exercise price of incentive stock options granted to 10% stockholders must be at least equal to 110% of the fair market value on the date of grant (and have a term that does not exceed five years). Options may vest based on time or achievement of performance conditions. Our compensation committee may provide for options to be exercised only as they vest or to be immediately exercisable with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. The maximum term of options granted under our 2017 Equity Incentive Plan is 10 years.

A restricted stock award is an offer by us to sell shares of our common stock subject to restrictions, which may vest based on time or achievement of performance conditions. The price (if any) of an RSA will be determined by the compensation committee. Unless otherwise determined by the compensation committee at the time of award, vesting will cease on the date the participant no longer provides services to us and unvested shares will be forfeited to or repurchased by us.

Stock appreciation rights provide for a payment, or payments, in cash or shares of our common stock, to the holder based on the difference between the fair market value of our common stock on the date of exercise and the stated exercise price up to a maximum amount of cash or number of shares. The exercise price of SARs must be at least equal to the fair market value of our common stock on the date of grant. SARs rights may vest based on time or achievement of performance conditions.

Restricted stock units represent the right to receive shares of our common stock at a specified date in the future, subject to forfeiture of that right because of termination of employment or failure to achieve certain performance conditions. If a RSU has not been forfeited, then on the date specified in the RSU agreement, we will deliver to the holder of the RSU whole shares of our common stock (which may be subject to additional restrictions), cash, or a combination of our common stock and cash. The maximum term of restricted stock units granted under our 2017 Equity Incentive Plan is 10 years.

Performance awards are awards that may be settled upon achievement of pre-established performance conditions in cash or by issuance of the underlying shares (which may be subject to additional restrictions). These awards are subject to forfeiture prior to settlement because of termination of employment or failure to achieve the performance conditions. No participant will be eligible to receive more than in performance awards in any calendar year.

Stock bonuses may be granted as additional compensation for service or performance, in the form of cash, common stock, or a combination thereof, and may be subject to restrictions, which may vest based on time or achievement of performance conditions.

In the event there is a specified type of change in our capital structure without receipt of consideration, such as a stock split, appropriate adjustments will be made to the number and class of shares reserved under our 2017 Equity Incentive Plan, the maximum number and class of shares that can be granted in a calendar year and the number and class of shares and exercise price, if applicable, of all outstanding awards under our 2017 Equity Incentive Plan.

The 2017 Equity Incentive Plan permits the grant of performance-based stock and cash awards that may qualify as performance-based compensation that is not subject to the $1,000,000 limitation on income tax deductibility imposed by Section 162(m) of the Code. Our compensation committee may structure awards so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period.

Awards granted under our 2017 Equity Incentive Plan may not be transferred in any manner other than by will or by the laws of descent and distribution or as determined by our compensation committee. Unless otherwise permitted by our compensation committee, stock options may be exercised during the lifetime of the optionee only by the optionee or the optionee's guardian or legal representative. Options granted under our 2017 Equity Incentive Plan generally may be exercised for a period of three months after the termination of the optionee's service to us for any reason other than for cause or due to death or disability, for a period of 18 months in the case of death, for a period of 12 months in the case of disability, or such other period as our compensation committee may provide, subject to the limitations set forth in our 2017 Equity Incentive Plan. Options generally terminate immediately upon termination of employment for cause.

In the event of a corporate transaction (as defined in our 2017 Equity Incentive Plan), any or all outstanding awards may be assumed or replaced by the successor corporation. In the alternative, the successor corporation may substitute equivalent awards or provide substantially similar consideration to participants as was provided to stockholders. The successor corporation may also issue, in place of outstanding shares held by the participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the participant. If the outstanding awards are not assumed, converted, replaced or substituted by the successor corporation, the awards shall have their vesting accelerate as to all shares subject to such award (and any applicable right of repurchase fully lapse) immediately prior to the corporate transaction. Awards need not be treated similarly in a corporate transaction.

Our 2017 Equity Incentive Plan will terminate 10 years from the date our board of directors approves the plan, unless it is terminated earlier by our board of directors. Our board of directors may amend or terminate our 2017 Equity Incentive Plan at any time. If our board of directors amends our 2017 Equity Incentive Plan, it does not need to ask for stockholder approval of the amendment unless required by applicable law.

Amended and Restated 2004 Equity Incentive Plan

Our board of directors adopted and our stockholders approved our 2004 Equity Incentive Plan in November 2004. The Amended and Restated 2004 Equity Incentive Plan, or our 2004 Plan, was adopted by our board of directors and approved by our stockholders in December 2005. The 2004 Plan has since been amended and restated from time to time. Our 2004 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees or any parent or subsidiary's employees and for the grant of nonstatutory stock options to our employees, directors, consultants, and any parent or subsidiary's employees and consultants. Stock bonus awards and

restricted stock awards may also be granted under the 2004 Plan. As of December 31, 2016, a total of 89,651,602 shares had been approved for issuance under the 2004 Plan, options to purchase 39,876,938 shares of our common stock were outstanding under our 2004 Plan, and 14,821,690 shares remained available for the grant of future awards under our 2004 Plan. All shares of our common stock reserved but not ultimately issued or subject to awards that have expired or otherwise terminated under our 2004 Plan without having been exercised in full are reserved for issuance under our 2017 Equity Incentive Plan. Upon the completion of this offering we will cease issuing awards under our 2004 Plan and intend to grant all future equity awards under our 2017 Equity Incentive Plan.

In the event of a change in control as defined in the 2004 Plan, the 2004 Plan provides that, unless otherwise provided in an option agreement, awards shall be assumed by the successor entity or converted into or replaced with comparable awards of the successor entity, and, if such awards are not assumed, converted, or replaced by the successor entity, unexercised options or other outstanding awards held by individuals whose service with us has not terminated will, unless otherwise provided by our board of directors, accelerate and become exercisable immediately prior to the consummation of such change in control and, if unexercised, will terminate upon the consummation of such change in control. If such awards are assumed, converted, or replaced by the successor entity, any such awards shall have their vesting or exercise schedule accelerated by twelve (12) months. Under the 2004 Plan, a “change in control” means (1) the consummation of a merger or consolidation of us with or into another entity or any other stock acquisition or corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity’s securities outstanding immediately after such merger, consolidation, stock acquisition, or other reorganization is owned by persons who were not our stockholders immediately prior to such merger, consolidation, stock acquisition or other reorganization; or (2) the sale, transfer or other disposition of all or substantially all of our assets. A transaction shall not constitute a “change in control” if its sole purpose is to change our state of incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately before such transaction. In the event that any amount paid or deemed paid under the 2004 Plan would constitute an excess parachute payment within the meaning of Section 280G of the Code, the amounts paid or deemed paid will be reduced so that such no such payments will constitute excess parachute payments.

Our board of directors currently administers our 2004 Plan. Our board of directors has the authority to amend, suspend, or terminate the 2004 Plan, provided that no amendment may adversely affect awards already granted without the written consent of the holder of the affected award. Our stockholders approve actions to the extent stockholder approval is necessary to satisfy the applicable requirements of Section 422 of the Code. Our 2004 Plan also provides for proportional adjustment of awards in the event of a stock split, stock dividend, and certain other similar corporate events.

401(k) Plan

We sponsor a retirement plan intended to qualify for favorable tax treatment under Section 401(a) of the Code, containing a cash or deferred feature that is intended to meet the requirements of Section 401(k) of the Code. U.S. employees who have attained at least 21 years of age are generally eligible to participate in the plan on the first day of the calendar month following the employees’ date of hire, subject to certain eligibility requirements. Participants may make pre-tax contributions to the plan from their eligible earnings up to the statutorily prescribed annual limit on pre-tax contributions under the Code. Pre-tax contributions by participants and the income earned on those contributions are generally not taxable to participants until withdrawn. Participant contributions are held in trust as required by law. No minimum benefit is provided under the plan. An employee’s interest in his or her pre-tax deferrals is 100% vested when contributed. Although the plan provides for a discretionary employer matching contribution, to date we have not made such a contribution on behalf of employees.

Limitations on Liability and Indemnification Matters

Our restated certificate of incorporation that will become effective immediately prior to the completion of this offering contains provisions that will limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law, or DGCL. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which the director derived an improper personal benefit.

Our restated certificate of incorporation and our restated bylaws that will become effective immediately prior to the completion of this offering require us to indemnify our directors and officers to the maximum extent not prohibited by the DGCL and allow us to indemnify other employees and agents as set forth in the DGCL. Subject to certain limitations, our restated bylaws will also require us to advance expenses incurred by our directors and officers for the defense of any action for which indemnification is required or permitted, subject to very limited exceptions.

In connection with this offering, we intend to enter into amended and restated indemnification agreements with each of our directors and officers. These agreements, among other things, will require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, penalties, fines and settlement amounts actually incurred by such director or officer in any action or proceeding arising out of their service to us or any of our subsidiaries or any other company or enterprise to which the person provides services at our request. Subject to certain limitations, our indemnification agreements will also require us to advance expenses incurred by our directors and officers for the defense of any action for which indemnification is required or permitted.

We believe that these charter provisions and indemnification agreements are necessary to attract and retain qualified persons such as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our restated certificate of incorporation and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

At present, there is no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers, or persons controlling us, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In addition to the executive officer and director compensation arrangements discussed above under "Management—Non-Employee Director Compensation" and "Executive Compensation," below we describe transactions since January 1, 2014 to which we have been or will be a participant, in which the amount involved in the transaction exceeds or will exceed $120,000 and in which any of our directors, executive officers, or beneficial holders of more than five percent of any class of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

2015 Third-Party Tender Offer

In June 2015, we entered into a letter agreement with certain holders of our capital stock pursuant to which we agreed to waive certain transfer restrictions in connection with, and assist in the administration of, a tender offer that such holders proposed to commence. In June 2015, these holders commenced a tender offer to purchase shares of our outstanding capital stock at a price per share of $3.2977, less transaction costs, pursuant to an offer to purchase to which we were not a party.

Adam Wiener, Bridget Frey, Chris Nielsen, and Scott Nagel, each of whom is an executive officer, sold shares of our capital stock in the tender offer, which closed in August 2015.

An aggregate of 4,780,236 shares of our capital stock were tendered pursuant to the tender offer, of which entities affiliated with T. Rowe Price purchased 1,912,094 shares for an aggregate purchase price of $6,305,512, and Tiger Global Private Investment Partners IX, L.P. purchased 2,867,024 shares for an aggregate purchase price of $9,454,585. Each of T. Rowe Price and Tiger Global Private Investment Partners IX, L.P., together with its respective affiliates, is a beneficial holder of more than five percent of our outstanding capital stock.

Series G Preferred Stock Financing

In December 2014, we sold an aggregate of 21,527,376 shares of our Series G preferred stock at a purchase price of $3.2977 per share for an aggregate purchase price of approximately $71.0 million. Each share of our Series G preferred stock will convert automatically into one share of our common stock upon the completion of this offering.

The purchasers of our Series G preferred stock are entitled to specified registration rights. For additional information, see "Description of Capital Stock—Registration Rights." The terms of these purchases were the same for all purchasers of our Series G preferred stock. See "Principal Stockholders" for more details regarding the shares held by these entities.

The following table summarizes the Series G preferred stock purchased by members of our board of directors or their affiliates and holders of more than five percent of our outstanding capital stock:

Name of Related Party	Shares of Series G Preferred Stock	Total Purchase Price
Tiger Global Private Investment Partners VII, L.P(1)	1,852,760	$ 6,109,847
Affiliates of T. Rowe Price New Horizons Fund, Inc(2)	1,516,205	4,999,989
Annox Capital, LLC(3)	758,104	2,500,000

(1) Tiger Global Private Investment Partners VII, L.P. and its affiliates beneficially own more than five percent of our capital stock.
(2) T. Rowe Price New Horizons Fund, Inc. and its affiliates beneficially own more than five percent of our capital stock.
(3) Robert Mylod, Jr., a member of our board of directors, is Managing Member of Annox Capital, LLC.

Series F Preferred Stock Financing

In multiple closings in November 2013 and February 2014, we sold an aggregate of 20,808,580 shares of our Series F preferred stock at a purchase price of $2.4286 per share for an aggregate purchase price of approximately $50.5 million. Each share of our Series F preferred stock will convert automatically into one share of our common stock upon the completion of this offering.

The purchasers of our Series F preferred stock are entitled to specified registration rights. For additional information, see "Description of Capital Stock—Registration Rights." The terms of these purchases were the same for all purchasers of our Series F preferred stock. See "Principal Stockholders" for more details regarding the shares held by these entities.

The following table summarizes the Series F preferred stock purchased by members of our board of directors or their affiliates and holders of more than five percent of our outstanding capital stock:

Name of Related Party	Shares of Series F Preferred Stock	Total Purchase Price
Tiger Global Private Investment Partners VII, L.P.(1)	10,561,641	$ 25,650,001
Affiliates of T. Rowe Price New Horizons Fund, Inc(2)	7,411,678	18,000,001
Affiliates of Draper Fisher Jurvetson Fund IX. L.P(3)	631,222	1,532,986
Affiliates of Greylock XII Limited Partnership(4)	424,536	1,031,028
Globespan Capital Partners V, L.P(5)	243,982	592,535
Annox Capital, LLC(6)	200,000	485,720
Austin Ligon	29,141	70,772
Selina Tobaccowala	20,587	49,998

(1) Tiger Global Private Investment Partners VII, L.P. and its affiliates beneficially own more than five percent of our capital stock.
(2) T. Rowe Price New Horizons Fund, Inc. and its affiliates beneficially own more than five percent of our capital stock.
(3) Draper Fisher Jurvetson Fund IX, L.P. and its affiliates beneficially own more than five percent of our capital stock.
(4) Greylock XII Limited Partnership and its affiliates beneficially own more than five percent of our capital stock. James Slavet, a member of our board of directors, is a general partner of Greylock Partners.
(5) Andrew Goldfarb, a member of our board of directors, is the executive managing director of Globespan Management Associates V, LLC, which is the sole general partner of Globespan Management Associates V, L.P., which is the sole general partner of Globespan Capital Partners V, L.P., or Globespan, and has sole voting and dispositive power over the shares held by Globespan.
(6) Robert Mylod, Jr., a member of our board of directors, is Managing Member of Annox Capital, LLC.

2014 Third-Party Tender Offer

In December 2013, we entered into a letter agreement with certain holders of our capital stock pursuant to which we agreed to waive certain transfer restrictions in connection with, and assist in the administration of, a tender offer that such holders proposed to commence. In December 2013, these holders commenced a tender offer to purchase shares of our outstanding capital stock at a price per share of $2.4286, less transaction costs, pursuant to an offer to purchase to which we were not a party.

Adam Wiener, an executive officer, sold shares of our capital stock in the tender offer, which closed in January 2014.

An aggregate of 1,621,076 shares of our capital stock were tendered pursuant to the tender offer, of which Tiger Global Private Investment Partners VII, L.P. purchased 1,540,023 shares for an aggregate purchase price of $3,740,100. Tiger Global Private Investment Partners VII, L.P. and its affiliates is a beneficial holder of more than five percent of our outstanding capital stock.

2014 Third-Party Stock Transfer

In February 2014, Scott Nagel, an executive officer, and certain holders of our capital stock entered into a stock transfer agreement pursuant to which we agreed to assist in the administration of Mr. Nagel's sale of 325,000 shares of common stock to such holders at a price per share of $2.4286.

Entities affiliated with T. Rowe Price purchased 210,000 shares for an aggregate purchase price of $510,006, and Annox Capital, LLC purchased 115,000 shares for an aggregate purchase price of $279,290. T. Rowe Price, together with its affiliated entities, is a beneficial holder of more than five percent of our outstanding capital stock, and Robert Mylod, Jr., a member of our board of directors, is Managing Member of Annox Capital, LLC.

Amended and Restated Investors' Rights Agreement

We have entered into an Amended and Restated Investors' Rights Agreement with certain holders of our redeemable convertible preferred stock, including entities with which certain of our executive officers and directors are affiliated. These stockholders are entitled to rights with respect to the registration of their shares following the completion of this offering. For a description of these registration rights, see "Description of Capital Stock—Registration Rights."

Indemnification Agreements

In connection with this offering, we intend to enter into amended and restated indemnification agreements with each of our directors and executive officers. The indemnification agreements, our restated certificate of incorporation, and our restated bylaws, which will become effective immediately prior to the completion of this offering, will require us to indemnify our directors to the fullest extent not prohibited by Delaware law. Subject to certain limitations, our restated bylaws will also require us to advance expenses incurred by our directors and officers. For more information regarding these agreements, see "Executive Compensation—Limitations on Liability and Indemnification Matters."

Review, Approval, or Ratification of Transactions with Related Parties

Our written related party transactions policy and the charters of our audit committee and nominating and corporate governance committee to be adopted by our board of directors and in effect immediately prior to the completion of this offering will require that any transaction with a related person that must be reported under applicable rules of the SEC must be reviewed and approved or ratified by our audit committee, unless the related party is, or is associated with, a member of that committee, in which event the transaction must be reviewed and approved by our nominating and corporate governance committee.

Prior to this offering we had no formal, written policy or procedure for the review and approval of related-party transactions. However, our practice has been to have all related-party transactions reviewed and approved by a majority of the disinterested members of our board of directors, including the transactions described above.

PRINCIPAL STOCKHOLDERS

The following table presents certain information with respect to the beneficial ownership of our common stock, and as adjusted to reflect the sale of common stock offered by us in this offering assuming no exercise of the underwriters' option to purchase additional shares of our common stock, by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each stockholder known by us to be the beneficial owner of more than five percent of our outstanding shares of common stock.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. Unless otherwise indicated below, to our knowledge, based on information furnished to us, the persons and entities named in the table have sole voting and investment power with respect to all shares that they beneficially own, subject to applicable community property laws. We have deemed shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of May 31, 2017 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

We have based percentage ownership of our common stock before this offering on 211,041,548 shares of our common stock outstanding May 31, 2017, which includes conversion of all outstanding shares of our redeemable convertible preferred stock in connection with this offering, as if this conversion had occurred as of May 31, 2017. Percentage ownership of our common stock after this offering also assumes the sale by us of shares of common stock in this offering. Unless otherwise indicated, the address of each beneficial owner in the table below is c/o Redfin Corporation, 1099 Stewart St., Suite 600, Seattle, Washington 98101.

	Beneficial Ownership Prior to this Offering		Beneficial Ownership After this Offering	
Name of Beneficial Owner	Number	Percent	Number	Percent
Directors and Named Executive Officers:				
Glenn Kelman(1)	7,801,355	3.7%		%
Bridget Frey(2)	2,026,443	1.0		
Scott Nagel(3)	2,286,961	1.1		
Robert Bass(4)	75,000	*		
Julie Bornstein(5)	56,250	*		
Andrew Goldfarb(6)	8,344,583	4.0		
Paul Goodrich(7)	24,108,079	11.4		
Austin Ligon(8)	1,976,426	1.0		
Robert Mylod, Jr.(9)	1,423,104	*		
James Slavet(10)	26,240,568	12.4		
Selina Tobaccowala(11)	283,087	*		
All executive officers and directors as a group (13 persons)(12)	79,389,668	35.8		
Other 5% Stockholders:				
Entities affiliated with Madrona Ventures(7)	24,108,079	11.4		
Entities affiliated with Greylock XII Funds(10)	26,240,568	12.4		
Entities affiliated with Draper Fisher Jurvetson(13)	21,588,984	10.2		
Entities affiliated with Tiger Global Private Investment Partners Funds(14)	22,151,548	10.5		
Entities affiliated with Vulcan Capital Venture Capital I LLC(15)	21,065,002	10.0		
Entities affiliated with T. Rowe Price(16)	14,902,472	7.1		

* Represents beneficial ownership of less than one percent.

(1) Represents (a) 5,968,330 shares of common stock and (b) 1,833,025 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(2) Represents (a) 111,250 shares of common stock and (b) 1,915,193 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(3) Represents (a) 25,000 shares of common stock and (b) 2,261,961 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(4) Represents 75,000 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(5) Represents 56,250 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(6) Represents 8,315,620 shares of common stock held by Globespan Capital Partners V, L.P., or Globespan V and 28,963 shares of common stock held by Globespan Capital Partners Opportunity Fund VI, L.P., or Globespan VI. Andrew Goldfarb, a member of our board of directors, is the executive managing director of (a) Globespan Management Associates V, LLC, which is the sole general partner of Globespan Management Associates V, L.P., which is the sole general partner of Globespan V, and has sole voting and dispositive power over the shares held by Globespan V and (b) Globespan Opportunity Associates VI, LLC, which is the sole general partner of Globespan Opportunity Associates VI, L.P., which is the sole general partner of Globespan VI and has sole voting and dispositive power over the shares held by Globespan VI. The address of Globespan V and Globespan VI is 1 Boston Place, Suite 2810, Boston, Massachusetts 02108.

(7) Represents (a) 22,746,780 shares of common stock held by Madrona Venture Fund III, L.P., or Madrona Fund III, and (b) 1,361,299 shares of common stock held by Madrona Venture Fund III-A, L.P., or Madrona Fund III-A. Paul Goodrich, a member of our board of directors, Tom Alberg, Matt McIlwain, Tim Porter, Scott Jacobson, and Len Jordan are the managing directors of Madrona III General Partner, LLC, which is the general partner of Madrona Investment Partners III, L.P., which in turn is the general partner of each of Madrona Fund III and Madrona Fund III-A. Messrs. Goodrich, Alberg, McIlwain, Porter, Jacobson, and Jordan have shared voting and dispositive power over the shares held by Madrona Fund III and Madrona Fund III-A. The address of Madrona Venture Group is 999 Third Avenue, 34th Floor, Seattle, Washington 98104.

(8) Represents (a) (i) 236,759 shares of common stock and (ii) 75,132 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017 and (b) 1,664,535 shares of common stock held by Toon Toot Sawan LP, or Toon Toot. Austin Ligon, a member of our board of directors, is the managing member of Tewda Management LLC, which is the general partner of Toon Toot, and has sole voting and investment control over the shares held by Toon Toot.

(9) Represents (a) 350,000 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017 and (b) 1,073,104 shares of common stock held by Annox Capital, LLC, or Annox. Robert Mylod, Jr., a member of our board of directors, is the managing member of Annox and has sole voting and investment control over the shares held by Annox.

(10) Represents (a) 22,435,687 shares of common stock held by Greylock XII Limited Partnership, or Greylock XII, (b) 2,492,854 shares of common stock held by Greylock XII-A Limited Partnership, or Greylock XII-A, and (c) 1,312,027 shares held by Greylock XII Principals LLC, or Greylock XII Principals. Greylock XII GP Limited Liability Company, or Greylock GP, is the general partner of each of Greylock XII and Greylock XII-A, and Greylock Management Corporation, is the sole member of Greylock XII Principals. James Slavet, a member of our board of directors, is a managing member of Greylock GP, and William W. Helman and Aneel Bhusri are the senior managing members of Greylock GP, and each of Messrs. Helman and Bhusri them may be deemed to share voting and investment control over the shares held by each of Greylock XII and Greylock XII-A. The shares held by Greylock XII Principals are held in nominee form only and Greylock XII Principals does not have voting or investment control over the shares that it holds. The address of Greylock Partners is 2550 Sand Hill Road, Suite 200, Menlo Park, California 94025.

(11) Represents (a) 20,587 shares of common stock and (b) 262,500 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(12) Represents (a) 68,721,754 shares of common stock and (b) 10,667,914 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2017.

(13) Represents (a) 676,438 shares of common stock held by Draper Associates, L.P., or DALP, (b) 22,858 shares of common stock held by Draper Associates Riskmasters Fund II, LLC, or DARF II, (c) 23,935 shares of common stock held by Draper Associates Riskmasters Fund III, LLC, or DARF III, (d) 20,315,235 shares of common stock held by Draper Fisher Jurvetson Fund IX, L.P., or Fund IX, and (e) 550,518 shares held by Draper Fisher Jurvetson Partners IX, LLC, or Partners IX. The general partner of DALP is Draper Associates, Inc., which is wholly owned and controlled by Timothy C. Draper, who has voting and dispositive power over the shares held by DALP. Mr. Draper is also the managing member of DARF II and DARF III, and has voting and dispositive power over the shares held by DARF II and DARF III. Mr Draper, John H.N. Fisher, and Stephen T. Jurvetson control Draper Fisher Jurvetson Fund IX Partners, L.P., which is the general partner of Fund IX, and share voting and dispositive power over the shares held by Fund IX. Messrs. Draper, Fisher, and Jurvetson are the managing members of Partners IX, and share voting and dispositive power over the shares held by Partners IX. The address of DFJ Venture Capital is 2882 Sand Hill Road, Suite 150, Menlo Park, California 94025.

(14) Represents (a) 19,278,141 shares of common stock held by Tiger Global Private Investment Partners VII, L.P., or TGP VII, and (b) 2,873,407 shares held by Tiger Global Private Investment Partners IX, L.P., or TGP IX. Each of TGP VII and TGP IX has sole voting and investment control over the shares that it holds. Each of TGP VII and TGP IX is controlled by Chase Coleman, Lee Fixel and Scott Shleifer. The address of Tiger Capital Management is 9 West 57th Street, 35th Floor, New York, New York 10019.

(15) Represents (a) 1,290,164 shares of common stock held by VCVC III LLC, or VCVC III, and (b) 19,774,838 shares of common stock held by Vulcan Capital Venture Capital I LLC, or VCVC I. VCVC I is managed by Vulcan Capital Venture Capital Management I LLC, or VCVC Management I, which in turn is managed by Vulcan Ventures Incorporated, or VVI. VVI is wholly owned by Paul G. Allen. Mr. Allen has sole voting and dispositive power over the shares held by VCVC I. VCVC I has in the past, made filings under Section 13 of the 1934 Exchange Act, as amended, together with VCVC Management I, VVI, and Mr. Allen. VCVC III is managed by VCVC Management III LLC, which is in turn managed Cougar Investment Holdings LLC, which is wholly owned by Mr. Allen. Mr. Allen has sole voting and dispositive power over the shares held by VCVC III. The address of Vulcan Capital is 505 Fifth Avenue, Suite 900, Seattle, Washington 98104.

(16) Represents (a) 1,168,211 shares held by Amidspeed & Co., (b) 11,945,433 shares held by Bridge & Co., (c) 1,637,949 shares held by Heirloom & Co., (d) 23,640 shares held by Icecold & Co., and (e) 127,239 shares held by Mac & Co. The address of T. Rowe Price is 100 East Pratt Street, Baltimore, Maryland 21202.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the most important terms of our capital stock, as they will be in effect upon the completion of this offering. Because it is only a summary, it does not contain all the information that may be important to you. We expect to adopt a restated certificate of incorporation and restated bylaws that will become effective immediately prior to the completion of this offering, and this description summarizes provisions that are expected to be included in these documents. For a complete description, you should refer to our restated certificate of incorporation and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Upon the completion of this offering, our authorized capital stock will consist of shares of common stock, $0.001 par value per share, and shares of undesignated preferred stock, $0.001 par value per share.

Assuming the conversion of all outstanding shares of our redeemable convertible preferred stock into shares of our common stock, which will occur upon the completion of this offering, as of March 31, 2017, there were outstanding 210,918,254 shares of our common stock, held by approximately 450 stockholders of record, and 39,068,334 shares of our common stock issuable upon exercise of outstanding stock options.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See “Dividend Policy” for additional information.

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Our restated certificate of incorporation that will become effective upon the completion of this offering does not provide for cumulative voting for the election of directors. As a result, the holders of a majority of our voting shares can elect all of the directors then standing for election. Our restated certificate of incorporation that will become effective upon the completion of this offering will establish a classified board of directors, to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Preferred Stock

Pursuant to the provisions of our current certificate of incorporation, each currently outstanding share of redeemable convertible preferred stock will automatically be converted into one share of common stock upon the completion of this offering. Following the completion of this offering, no shares of redeemable convertible preferred stock will be outstanding.

Pursuant to our restated certificate of incorporation that will become effective immediately prior to the completion of this offering, our board of directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in our control and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Stock Options

As of March 31, 2017, we had outstanding options to purchase an aggregate of 39,068,334 shares of our common stock, with a weighted-average exercise price of $1.97 per share, pursuant to our Amended and Restated 2004 Equity Incentive Plan.

Registration Rights

Following the completion of this offering, the holders of an aggregate of 174,917,441 shares of our common stock, including 166,266,114 shares of common stock issuable upon conversion of our redeemable convertible preferred stock, or their permitted transferees, will be entitled to rights with respect to the registration of these shares under the Securities Act. These shares are referred to as registrable securities. These rights are provided under the terms of our Amended and Restated Investors' Rights Agreement dated as of December 15, 2014, as amended, or IRA, between us and the holders of these registrable securities, which registration rights include demand registration rights, Form S-3 registration rights, and piggyback registration rights. All fees, costs, and expenses incurred in connection with the registration of registrable securities, including reasonable fees and disbursements of one special counsel to the selling stockholders up to $25,000, will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

The registration rights terminate upon the earliest of (1) five years following the completion of this offering, (2) as to each holder of registration rights, when such holder can sell all of such holder's registrable securities during a three-month period pursuant to Rule 144 promulgated under the Securities Act, and (3) when the IRA is terminated pursuant to its terms.

Demand Registration Rights

Under the terms of the IRA, if we receive a written request, at any time after six months following the effective date of this offering, from the holders of at least 20% of the registrable securities

then outstanding (or any lesser percentage if the aggregate proceeds after deducting underwriting discounts and commissions is not less than $5.0 million) that we file a registration statement under the Securities Act covering the registration of registrable securities, then we will be required to use our best efforts to file as soon as practicable, and in any event no later than 90 days following such request, a registration statement covering all registrable securities requested to be registered for public resale. We are required to effect only two registrations pursuant to this provision of the IRA, and may postpone the filing of a registration statement for up to 90 days once in any 12-month period if our board of directors determines that the filing would be seriously detrimental to us and our stockholders. We are not required to effect a demand registration under certain additional circumstances specified in the IRA, including at any time during the 180-day period after the effective date of this offering.

Form S-3 Registration Rights

The holders of registrable securities can request that we register all or part of their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the aggregate price to the public of the shares offered (net of any underwriters' discounts or commissions) is at least $1.0 million. We are required to effect no more than two registrations on Form S-3 in any 12-month period, and may postpone the filing of a registration statement on Form S-3 for up to 60 days once in any 12-month period if our board of directors determines that the filing would be seriously detrimental to us and our stockholders. We are not required to file a registration statement on Form S-3 under certain additional circumstances specified in the IRA.

Piggyback Registration Rights

If we register any of our securities for public sale, each holder of registrable securities has a right to request the inclusion of any then-outstanding registrable securities held by them on our registration statement. However, this right does not apply to a registration relating solely to employee benefit plans, a corporate reorganization or stock issuable upon conversion of debt securities. If the underwriters of any underwritten offering determine in good faith that marketing factors require a limitation on the number of shares, the number of shares to be registered will be apportioned, first, to the company for its own account and, second, pro rata among these holders, based on the number of registrable securities held by each holder. However, the number of registrable securities to be registered cannot be reduced below 30% of the total shares covered by the registration statement, other than in the initial public offering.

Anti-Takeover Provisions

The provisions of Delaware and Washington law, our restated certificate of incorporation, and our restated bylaws, as we expect they will be in effect immediately prior to the completion of this offering, could have the effect of delaying, deferring, or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are subject to the provisions of Section 203 of the Delaware General Corporation Law, or DGCL, regulating corporate takeovers. In general, DGCL Section 203 prohibits a publicly held

Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date on which the person became an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66.67% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction or series of transactions together resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that DGCL Section 203 may also discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Washington Law

Furthermore, we may also be subject to the provisions of Chapter 23B.19 of the Washington Business Corporation Act, or WBCA, which imposes restrictions on certain transactions between a corporation and certain significant stockholders. The WBCA generally prohibits a "target corporation" (as defined in the WBCA) from engaging in certain significant business transactions with an "acquiring person," which is defined as a person or group of persons that beneficially owns 10% or more of the voting securities of the target corporation, for a period of five years after such acquisition, unless the transaction or acquisition of shares is approved by a majority of the members of the target corporation's board of directors prior to the time of the acquisition or at or subsequent to the acquiring person's share acquisition time, such significant business transaction is approved by a majority of the members of the target corporation's board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66-2/3% of the outstanding voting shares, except for shares beneficially owned by or under the voting control of the acquiring person. Such prohibited transactions include, among other things:

- a merger or consolidation with, disposition of assets to, or issuance or redemption of stock to or from the acquiring person;
- termination of five percent or more of the employees of the target corporation as a result of the acquiring person's acquisition of 10% or more of the shares; or
- allowing the acquiring person to receive any disproportionate benefit as a stockholder.

After the five-year period, a "significant business transaction" may occur if it complies with "fair price" provisions specified in the statute. A corporation may not opt out of this statute and, therefore, we anticipate this statute will apply to us. Depending upon whether we meet the definition of a target corporation, Chapter 23B.19 of the WBCA may have the effect of delaying, deferring, or preventing a change in control.

Restated Certificate of Incorporation and Restated Bylaw Provisions

Our restated certificate of incorporation and our restated bylaws will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our management team, including the following:

- *Board of Directors Vacancies*. Our restated certificate of incorporation and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors is permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors but promotes continuity of management.

- *Classified Board.* Our restated certificate of incorporation and restated bylaws will provide that our board of directors will be classified into three classes of directors. The existence of a classified board of directors could discourage a third party from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See "Management—Classified Board of Directors" for additional information.

- *Stockholder Action; Special Meeting of Stockholders*. Our restated certificate of incorporation will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our chief executive officer, or our president. Our restated certificate of incorporation will provide that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, holders of our capital stock would not be able to amend our restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our restated bylaws. Further, our restated bylaws will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our lead independent director, our chief executive officer, or our president, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders to take any action, including the removal of directors.

- *Advance Notice Requirements for Stockholder Proposals and Director Nominations*. Our restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

- *No Cumulative Voting.* The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our restated certificate of incorporation and restated bylaws will not provide for cumulative voting.

- *Directors Removed Only for Cause.* Our restated certificate of incorporation will provide that stockholders may remove directors only for cause and only by the affirmative vote of the holders of at least two-thirds of our outstanding common stock.

- *Amendment of Charter Provisions.* Any amendment of the above expected provisions in our restated certificate of incorporation would require approval by holders of at least two-thirds of our outstanding common stock.

- *Issuance of Undesignated Preferred Stock.* After the filing of our restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock enables our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or other means.

- *Choice of Forum.* Our restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Listing

We have applied to list our common stock on The NASDAQ Global Select Market under the symbol "RDFN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Wells Fargo Bank, N.A. The transfer agent's address is 1110 Centre Point Curve, Suite 101, Mendota Heights, Minnesota, 55120-4100, and its telephone number is (800) 401-1957.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock, including shares issued upon exercise of outstanding stock options, in the public market following this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, based on the number of shares of our capital stock outstanding as of March 31, 2017, we will have a total of shares of our common stock outstanding. Of these outstanding shares, all of the shares of common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. In addition, most of our security holders have entered into agreements with us containing market standoff provisions or lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus, as described below. As a result of these agreements, subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all of the shares sold in this offering will be immediately available for sale in the public market;
- beginning 181 days after the date of this prospectus, additional shares will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- the remainder of the shares will be eligible for sale in the public market from time to time thereafter upon subject to vesting and, in some cases, to the volume and other restrictions of Rule 144, as described below.

Lock-Up Agreements and Market Stand-off Provisions

All of our directors, officers and most of our security holders are subject to lock-up agreements or market stand-off provisions that, subject to exceptions described under "Underwriting" below, prohibit them from offering for sale, selling, contracting to sell, pledging, granting any option for the sale of, making any short sale of, transferring or otherwise disposing, of any shares of our common stock, stock options, or any security or instrument related to our common stock or stock options for a period of at least 180 days following the date of this prospectus, without the prior written consent of the underwriters. These agreements are subject to certain customary exceptions. See "Underwriting" for additional information.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements for at least 90 days, a person who is not deemed to have been one of

our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell, upon expiration of the lock-up and market stand-off provisions described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701. Moreover, all Rule 701 shares are subject to lock-up agreements or market stand-off provisions as described above and under “Underwriting” and will not become eligible for sale until the expiration of those agreements.

Registration Statement

In connection with this offering, we intend to file a registration statement on Form S-8 under the Securities Act registering the issuance and sale of all of the shares of our common stock subject to outstanding options and the shares of our common stock reserved for issuance under our equity incentive plans. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice, and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up and market stand-off agreements to which they are subject.

Registration Rights

We have granted demand, Form S-3, and piggyback registration rights to certain of our stockholders to sell our common stock. Registration of the sale of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the related registration statement, except for shares purchased by affiliates. See “Description of Capital Stock—Registration Rights” for additional information.

MATERIAL U.S. FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following summary describes the material U.S. federal income tax considerations of the acquisition, ownership, and disposition of our common stock by "non-U.S. holders" (as described below under "—Non-U.S. Holder Defined"). This summary does not address all aspects of U.S. federal income tax considerations relating thereto. This summary also does not address the tax considerations arising under the laws of any non-U.S., state, or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent provided below.

Special rules different from those described below may apply to certain non-U.S. holders that are subject to special treatment under the Code, including, without limitation:

- banks, insurance companies, or other financial institutions;
- partnerships or entities or arrangements treated as partnerships or other pass-through entities for U.S. federal tax purposes (or investors in such entities);
- corporations that accumulate earnings to avoid U.S. federal income tax;
- persons subject to the alternative minimum tax or Medicare contribution tax;
- tax-exempt entities (including private foundations) or tax-qualified retirement plans;
- controlled foreign corporations or passive foreign investment companies;
- persons who acquired our common stock as compensation for services;
- dealers in securities or currencies;
- traders in securities that elect to use amark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk-reduction transaction;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership or an entity or an arrangement classified as a partnership or other pass-through entity for U.S. federal income tax purposes is a beneficial owner of our common stock, the tax treatment of a partner in the partnership or an owner of the entity will depend upon the status of the partner or other owner and the activities of the partnership or other entity. Therefore, this summary does not address tax considerations applicable to partnerships that hold our common stock, and partners in such partnerships should consult their tax advisors.

The information provided below is based upon provisions of the Code, Treasury regulations promulgated thereunder, administrative rulings, and judicial decisions as of the date hereof. Such authorities may be subject to differing interpretations, repealed, revoked, or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership, and disposition of our common stock, or that any such contrary position would not be sustained by a court. In either case, the tax considerations of owning or disposing of our common stock could differ from those described below and, as a result, we cannot assure you that the tax consequences described in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS.

INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF FOREIGN, STATE, OR LOCAL LAWS AND TAX TREATIES.

Non-U.S. Holder Defined

For purposes of this summary, a "non-U.S. holder" is any beneficial owner of our common stock, other than a partnership, that is not:

- an individual who is a citizen or resident of the United States (as determined under U.S. federal income tax rules);
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state therein, or Washington, D.C.;
- a trust if it (1) is subject to the primary supervision of a court within the United States and one of more U.S. persons have authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or
- an estate whose income is subject to U.S. income tax regardless of its source.

If you are a non-U.S. citizen that is an individual, you may, in some cases, be deemed to be a resident alien (as opposed to a nonresident alien) by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. Generally, for this purpose, all the days you are present in the current year, one-third of the days you are present in the immediately preceding year and one-sixth of the days you are present in the second preceding year, are counted. Resident aliens are generally subject to U.S. federal income tax as if they were U.S. citizens. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the ownership or disposition of our common stock.

Distributions

We do not expect to declare or make any distributions on our common stock in the foreseeable future. If we do make distributions on our common stock, however, such distributions will generally constitute dividends for U.S. federal income tax purposes to the extent they are paid from our current

or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that is applied against and reduces, but not below zero, a non-U.S. holder's adjusted tax basis in our common stock. Any remaining excess will be treated as gain realized on the sale or exchange of our common stock as described below under "—Gain on Disposition of Our Common Stock." The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution.

Any distribution on our common stock that is treated as a dividend paid to a non-U.S. holder that is not effectively connected with the non-U.S. holder's conduct of a trade or business in the United States will generally be subject to U.S. withholding tax at a 30% rate or such lower rate as may be specified under the terms of an applicable income tax treaty between the United States and the non-U.S. holder's country of residence. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty. Generally, in order for us or our paying agent to withhold tax at a lower treaty rate, a non-U.S. holder must certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification requirement by providing a properly executed Form W-8BEN or Form W-8BEN-E or appropriate substitute form to us or our paying agent. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to the agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty with the United States may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS in a timely manner.

Dividends received by a non-U.S. holder that are effectively connected with a U.S. trade or business conducted by the non-U.S. holder, and if required by an applicable income tax treaty between the United States and the non-U.S. holder's country of residence, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States, are not subject to U.S. withholding tax. To obtain this exemption, a non-U.S. holder must provide us or our paying agent with a properly executed IRS Form W-8ECI certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition to being taxed at graduated income tax rates, dividends received by corporate non-U.S. holders that are effectively connected with a U.S. trade or business of the corporate non-U.S. holder may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty) on the corporate non-U.S. holder's effectively connected earnings and profits, subject to certain adjustments.

For additional withholding rules that may apply to dividends paid to foreign financial institutions (as specifically defined by the applicable rules), or to non-financial foreign entities that have substantial direct or indirect U.S. owners, see "—Foreign Accounts."

Gain on Disposition of Our Common Stock

Subject to the discussions below under "—Backup Withholding and Information Reporting" and "—Foreign Accounts," non-U.S. holders will generally not be subject to U.S. federal income tax on gain realized on the sale, exchange, or other disposition of our common stock unless:

(1) the gain is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business and, if required by an applicable income tax treaty between the United States and the non-U.S. holder's country of residence, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;

(2) the non-U.S. holder is a nonresident individual and is present in the United States for 183 days or more in the taxable year of the sale, exchange, or other disposition of our common stock and certain other requirements are met; or

(3) the rules of the Foreign Investment in Real Property Tax Act, or FIRPTA, apply to treat the gain as effectively connected with a U.S. trade or business.

A non-U.S. holder described in (1) above will be required to pay tax on the net gain derived from the sale, exchange, or other disposition of our common stock at regular graduated U.S. federal income tax rates, unless a specific treaty exemption applies, and corporate non-U.S. holders described in (1) above may also be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

An individual non-U.S. holder described in (2) above will be required to pay a flat 30% tax on the gain derived from the sale, exchange, or other disposition of our common stock, or such other reduced rate as may be specified by an applicable income tax treaty, which gain may be offset by U.S. source capital losses (even though the non-U.S. holder is not considered a resident of the United States).

With respect to (3) above, in general, the FIRPTA rules may apply to a sale, exchange, or other disposition of our common stock if we are, or were within the shorter of the five-year period preceding the disposition and the non-U.S. holder's holding period, a U.S. real property holding corporation, or USRPHC. We do not believe that we are a USRPHC and we do not anticipate becoming a USRPHC in the future. Even if we become a USRPHC, gain realized by a non-U.S. holder on a disposition of our common stock will not be subject to U.S. federal income tax under FIRPTA as long as (a) our common stock is regularly traded on an established securities market and (b) the non-U.S. holder owned, directly, indirectly, and constructively, no more than five percent of our outstanding common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period.

For additional withholding rules that may apply to proceeds of a disposition of our common stock paid to foreign financial institutions (as specifically defined by the applicable rules), or to non-financial foreign entities that have substantial direct or indirect U.S. owners, see "—Foreign Accounts."

U.S. Federal Estate Tax

The estates of nonresident alien individuals generally are subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our common stock will be U.S. situs property and therefore will be included in the taxable estate of a nonresident alien decedent, unless an applicable estate tax treaty between the United States and the decedent's country of residence provides otherwise. Investors are urged to consult their own tax advisors regarding the U.S. federal estate tax consequences of the ownership or disposition of our common stock.

Backup Withholding and Information Reporting

The Code and the Treasury regulations require those who make specified payments to report the payments to the IRS. Among the specified payments are dividends and proceeds paid by brokers to their customers. The required information returns enable the IRS to determine whether the recipient properly included the payments in income. This reporting regime is reinforced by "backup withholding" rules. These rules require the payors to withhold tax from payments subject to information reporting if the recipient fails to comply with the reporting requirements by failing to provide his or her taxpayer

identification number or other certification of exempt status to the payor, furnishing an incorrect identification number, or failing to report interest or dividends on his or her returns. The backup withholding tax rate is currently 28%. The backup withholding rules do not apply to payments to corporations, whether domestic or foreign, provided they establish such exemption.

Payments to non-U.S. holders of dividends on common stock generally will not be subject to backup withholding, and payments of proceeds made to non-U.S. holders by a broker upon a sale of common stock will not be subject to information reporting or backup withholding, in each case so long as the non-U.S. holder certifies its nonresident status (and we or our paying agent do not have actual knowledge or reason to know the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied) or otherwise establishes an exemption. U.S. backup withholding generally will not apply to a non-U.S. holder who provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, or otherwise establishes an exemption. We must report annually to the IRS any dividends paid to each non-U.S. holder and the tax withheld, if any, with respect to these dividends. Copies of these reports may be made available to tax authorities in the country where the non-U.S. holder resides.

Under the Treasury regulations, the payment of proceeds from the disposition of shares of our common stock by a non-U.S. holder made to or through a U.S. office of a broker generally will be subject to information reporting and backup withholding unless the beneficial owner certifies, under penalties of perjury, among other things, its status as a non-U.S. holder (and the broker does not have actual knowledge or reason to know the holder is a U.S. person) or otherwise establishes an exemption. The payment of proceeds from the disposition of shares of our common stock by a non-U.S. holder made to or through a non-U.S. office of a broker generally will not be subject to backup withholding and information reporting, except as noted below. Information reporting, but not backup withholding, will apply to a payment of proceeds, even if that payment is made outside of the United States, if a non-U.S. holder sells our common stock through a non-U.S. office of a broker that is:

- a U.S. person (including a foreign branch or office of such person);
- a "controlled foreign corporation" for U.S. federal income tax purposes;
- a foreign person 50% or more of whose gross income from certain periods is effectively connected with a U.S. trade or business; or
- a foreign partnership if at any time during its tax year (1) one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interests of the partnership or (2) the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence that the beneficial owner is a non-U.S. holder and certain other conditions are satisfied, or the beneficial owner otherwise establishes an exemption (and the broker has no actual knowledge or reason to know to the contrary).

Backup withholding is not an additional tax. Any amounts withheld from a payment to a holder of common stock under the backup withholding rules can be credited against any U.S. federal income tax liability of the holder and may entitle the holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Foreign Accounts

In addition to, and separately from the withholding rules described above, U.S. federal withholding taxes may apply under the Foreign Account Tax Compliance Act, or FATCA, on certain

types of payments, including dividends and the gross proceeds of a disposition of our common stock, made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. The 30% federal withholding tax described in this paragraph cannot be reduced under an income tax treaty with the United States. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under applicable Treasury regulations and IRS guidance, FATCA withholding as described above currently applies to payments of dividends on our common stock, and will also apply to payments of gross proceeds from the sale or other disposition of our common stock made on or after January 1, 2019.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POTENTIAL APPLICATION OF WITHHOLDING UNDER FATCA TO THEIR INVESTMENT IN OUR COMMON STOCK. THE PRECEDING DISCUSSION OF U.S. FEDERAL TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, GIFT, ESTATE, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

We have entered into an underwriting agreement with Goldman Sachs & Co. LLC with respect to the shares being offered. Goldman Sachs & Co. LLC is the representative of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Allen & Company LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
RBC Capital Markets, LLC	
Oppenheimer & Co. Inc.	
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriters will commit to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discount to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representative may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our or their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to this offering, there has been no public market for the shares. The initial public offering price will be negotiated between us and the representative. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, were our historical performance, estimates of the business potential and earnings prospects of our company, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

In connection with this offering, we have applied to list our common stock on The NASDAQ Global Select Market under the symbol “RDFN.”

In connection with this offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our common stock and together with the imposition of the penalty bid, may stabilize, maintain, or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on The NASDAQ Global Select Market, in the over-the-counter market, or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount not to exceed $35,000 as set forth in the underwriting agreement.

We estimate that our share of the total expenses of the offering, excluding the underwriting discount, will be approximately $ million.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us

and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities, or instruments of the issuer (directly, as collateral securing other obligations, or otherwise), or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color, or trading ideas or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities, and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of our common shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our common shares may be made at any time under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase our common shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to

which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited

investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

Fenwick & West LLP, Seattle, Washington, has acted as our counsel in connection with this offering and will pass upon the validity of the issuance of the shares of our common stock offered by this prospectus. Cooley LLP, Seattle, Washington, is representing the underwriters.

EXPERTS

The consolidated financial statements as of December 31, 2015 and 2016 and for each of the three years in the period ended December 31, 2016 , included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing in this prospectus. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and our common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the copy of such contract or other document filed as an exhibit to the registration statement. We currently do not file periodic reports with the SEC. Upon the completion of this public offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Exchange Act. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from that office. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. The address of the website is www.sec.gov. We also maintain a website at www.redfin.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

REDFIN CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Redfin Corporation
Seattle, Washington

We have audited the accompanying consolidated balance sheets of Redfin Corporation and subsidiaries (the "Company") as of December 31, 2015 and 2016, and the related consolidated statements of operations, changes in redeemable convertible preferred stock and stockholders' deficit, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Redfin Corporation and subsidiaries as of December 31, 2015 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Seattle, Washington

April 5, 2017

Redfin Corporation and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2015	December 31, 2016	March 31, 2017	Pro Forma March 31, 2017
			(unaudited)	
Assets:				
Current assets:				
Cash and cash equivalents	$ 85,597	$ 64,030	$ 36,209	
Restricted cash	3,423	3,815	8,664	
Short-term investments	1,744	1,749	1,750	
Prepaid expenses	6,632	4,388	3,303	
Accrued revenue, net	5,604	10,625	12,275	
Other current assets	10	8,781	10,355	
Loans held for sale	—	—	240	
Total current assets	103,010	93,388	72,796	
Property and equipment, net	7,378	19,226	22,365	
Intangible assets, net	4,270	3,782	3,660	
Goodwill	9,186	9,186	9,186	
Deferred offering costs	—	720	2,109	
Other assets	1,210	7,175	6,791	
Total assets:	$ 125,054	$ 133,477	$ 116,907	
Liabilities, redeemable convertible preferred stock and stockholders' equity (deficit):				
Current liabilities:				
Accounts payable	$ 1,490	$ 5,385	$ 2,558	
Accrued liabilities	14,892	22,253	27,781	
Other payables	3,394	3,793	8,444	
Loan facility	—	—	233	
Current portion of deferred rent	—	1,512	1,095	
Total current liabilities	19,776	32,943	40,110	
Deferred rent, net of current portion	1,077	8,852	9,874	
Total liabilities	20,853	41,795	49,984	
Commitments and contingencies (Note 10)				
Redeemable convertible preferred stock—par value $0.001 per share; 166,266,114 shares authorized, issued and outstanding; and aggregate liquidation preference of $167,488	599,914	655,416	680,186	$ —
Stockholders' equity (deficit)				
Common stock—par value $0.001 per share; 255,000,000, 290,081,638 and 290,081,638 shares authorized, respectively; 42,179,400, 44,061,806 and 44,652,140 shares issued and outstanding, respectively	42	44	45	211
Additional paid-in capital	—	—	—	208,777
Accumulated deficit	(495,755)	(563,778)	(613,309)	(142,066)
Total stockholders' equity (deficit)	(495,713)	(563,734)	(613,264)	$ 66,922
Total liabilities, redeemable convertible preferred stock and stockholders' equity:	$ 125,054	$ 133,477	$ 116,907	

The accompanying notes are an integral part of these consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Revenue	$ 125,363	$ 187,338	$ 267,196	$ 41,636	$ 59,868
Cost of revenue	93,272	138,492	184,452	38,505	53,492
Gross profit	32,091	48,846	82,744	3,131	6,376
Operating expenses:					
Technology and development	17,876	27,842	34,588	7,898	9,672
Marketing	15,058	19,899	28,571	9,211	10,459
General and administrative	24,240	31,394	42,369	10,385	14,367
Total operating expenses	57,174	79,135	105,528	27,494	34,498
Income (loss) from operations	(25,083)	(30,289)	(22,784)	(24,363)	(28,122)
Interest income and other income, net:					
Interest income	23	46	173	47	43
Other income, net	24	7	85	37	13
Total interest income and other income, net	47	53	258	84	56
Income (loss) before tax benefit (expense)	(25,036)	(30,236)	(22,526)	(24,279)	(28,066)
Income tax benefit (expense)	306	—	—	—	—
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)
Accretion of redeemable convertible preferred stock	(101,251)	(102,224)	(55,502)	(5,212)	(24,770)
Net income (loss) attributable to common stock—basic and diluted	$ (125,981)	$ (132,460)	$ (78,028)	$ (29,491)	$ (52,836)
Net income (loss) per share attributable to common stock—basic and diluted	$ (3.92)	$ (3.29)	$ (1.81)	$ (0.69)	$ (1.19)
Weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted	32,150,025	40,249,762	43,185,844	42,710,904	44,303,191
Pro forma net income (loss) per share attributable to common stock—basic and diluted (unaudited)			$ (0.11)		$ (0.13)
Pro forma weighted-average shares used to compute net income (loss) per share attributable to common stock—basic and diluted (unaudited)			209,451,958		210,569,305

The accompanying notes are an integral part of these consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Operating activities					
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)
Adjustments to reconcile net income (loss) to net cash used in operating activities:					
Depreciation and amortization	2,672	4,395	6,293	1,432	1,905
Stock-based compensation	5,196	5,562	8,413	1,820	2,681
Tax benefit from business acquisition	(306)	—	—	—	—
Change in assets and liabilities:					
Restricted cash	275	(1,761)	(392)	(6,001)	(4,848)
Prepaid expenses	(726)	(3,963)	2,244	1,958	1,086
Accrued revenue	499	(2,685)	(5,021)	(2,120)	(1,650)
Other current assets	(120)	721	(8,778)	(8)	(1,582)
Other long-term assets	(474)	(36)	(5,964)	(369)	384
Accounts payable	913	152	638	384	(2,912)
Accrued expenses	3,412	3,890	6,581	1,998	5,839
Other payables	(322)	1,822	399	6,007	4,651
Deferred lease liability	115	(21)	8,768	(117)	501
Net cash used in operating activities	(13,596)	(22,160)	(9,345)	(19,295)	(22,011)
Investing activities					
Maturities of short-term investments	1,477	1,590	1,744	1,251	1,251
Purchases of short-term investments	(1,481)	(1,550)	(1,744)	(1,251)	(1,252)
Acquisition of business, net of cash acquired	(4,074)	—	—	—	—
Purchases of property and equipment	(4,961)	(4,607)	(13,567)	(935)	(4,781)
Net cash used in investing activities	(9,039)	(4,567)	(13,567)	(935)	(4,782)
Financing activities					
Proceeds from issuance of redeemable convertible preferred stock	71,517	—	—	—	—
Issuance costs of redeemable convertible preferred stock	(2,928)	(9)	—	—	—
Proceeds from tender offer	225	2,659	—	—	—
In-substance dividend paid in relation to tender offer	(225)	(2,659)	—	—	—
Proceeds from exercise of stock options	996	1,732	1,495	342	551
Payment of deferred initial public offering costs	—	—	(150)	—	(1,579)
Net cash provided by (used in) financing activities	69,585	1,723	1,345	342	(1,028)
Net change in cash and cash equivalents	46,950	(25,004)	(21,567)	(19,888)	(27,821)
Cash and cash equivalents:					
Beginning of period	63,651	110,601	85,597	85,597	64,030
End of period	$ 110,601	$ 85,597	$ 64,030	$ 65,709	$ 36,209
Supplemental disclosure of non-cash investing and financial activities					
Fair value of common stock issued for acquisition of business	$ (8,520)	$ —	$ —	$ —	$ —
Reversal of treasury stock receivable	$ (1,170)	$ —	$ —	$ —	$ —
Accretion of redeemable convertible preferred stock	$ (101,251)	$ (102,224)	$ (55,502)	$ (5,212)	$ (24,770)
Stock-based compensation capitalized in property and equipment	$ —	$ (49)	$ (100)	$ —	$ (74)
Deferred initial public offering cost accruals	$ —	$ —	$ (570)	$ —	$ (190)
Property and equipment additions in accounts payable and accrued expenses	$ —	$ —	$ (3,466)	$ —	$ (37)
Leasehold improvements paid directly by lessor	$ —	$ —	$ (520)	$ —	$ (104)

The accompanying notes are an integral part of these consolidated financial statements.

Redfin Corporation and Subsidiaries
Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except for shares)

	Redeemable Convertible Preferred Stock		Common Stock		Additional	Treasury Stock Receivable		Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Shares	Amount	Deficit	Deficit
Balance, January 1, 2014	144,518,151	$ 327,859	27,587,129	$ 28	$ —	2,924,500	$(1,170)	$ (259,887)	$ (261,029)
Exercise of stock options	—	—	5,301,436	5	1,523	—	—	—	1,528
Issuance of redeemable convertible preferred stock—net of issuance costs of $2,928	21,747,963	68,589	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	5,196	—	—	—	5,196
In-substance dividend issued in tender offer	—	—	—	—	225	—	—	(225)	—
Issuance of common stock in business acquisition	—	—	4,000,331	4	8,516	—	—	—	8,520
Treasury stock modification into common shares	—	—	1,000,000	1	—	(2,924,500)	1,170	—	1,171
Accretion of redeemable convertible preferred stock	—	101,251	—	—	(15,460)	—	—	(85,791)	(101,251)
Net income (loss)	—	—	—	—	—	—	—	(24,730)	(24,730)
Balance, December 31, 2014	166,266,114	$ 497,699	37,888,896	$ 38	$ —	—	$ —	$ (370,633)	$ (370,595)
Exercise of stock options	—	—	4,290,504	$ 4	$ 1,727	—	—	—	$ 1,731
Redeemable convertible preferred stock issuance costs	—	$ (9)	—	—	—	—	—	—	—
Stock-based compensation		—		—	5,611	—	—	—	5,611
In-substance dividend issued in tender offer	—	—	—	—	2,659	—	—	$ (2,659)	—
Accretion of redeemable convertible preferred stock	—	102,224	—	—	(9,997)	—	—	(92,227)	(102,224)
Net income (loss)	—	—	—	—	—	—	—	(30,236)	(30,236)
Balance, December 31, 2015	166,266,114	$ 599,914	42,179,400	$ 42	$ —	—	$ —	$ (495,755)	$ (495,713)
Exercise of stock options	—	—	1,882,406	$ 2	$ 1,493	—	—	—	$ 1,495
Stock-based compensation	—	—	—	—	8,512	—	—	—	8,512
Accretion of redeemable convertible preferred stock	—	$ 55,502	—	—	(10,005)	—	—	$ (45,497)	(55,502)
Net income (loss) (unaudited)	—	—	—	—	—	—	—	(22,526)	(22,526)
Balance, December 31, 2016	166,266,114	$ 655,416	44,061,806	$ 44	$ —	—	$ —	$ (563,778)	$ (563,734)
Cumulative stock-based compensation adjustment (unaudited)					$ 523			$ (523)	$ —
Exercise of stock options (unaudited)	—	—	590,334	$ 1	550	—	—	—	$ 551
Stock-based compensation (unaudited)	—	—	—	—	2,755	—	—	—	2,755
Accretion of redeemable convertible preferred stock (unaudited)	—	$ 24,770	—	—	(3,828)	—	—	(20,942)	(24,770)
Net income (loss) (unaudited)	—	—	—	—	—	—	—	(28,066)	(28,066)
Balance, March 31, 2017 (unaudited)	166,266,114	$ 680,186	44,652,140	$ 45	$ —	—	$ —	$ (613,309)	$ (613,264)

The accompanying notes are an integral part of these consolidated financial statements.

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

Note 1: Description of Business and Summary of Significant Accounting Policies:

Description of Business—Redfin Corporation ("Redfin" or the "Company") was incorporated in October 2002 and is headquartered in Seattle, Washington. The Company operates an online real estate marketplace and provides real estate services, including assisting individuals to purchase or sell their residential property. The Company's wholly owned subsidiaries also provide title and settlement services and originate mortgages. The Company has operations located in multiple states nationwide.

Basis of Presentation—The consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company had no components of other comprehensive income (loss) during any of the years presented, as such, a consolidated statement of comprehensive income (loss) is not presented. All amounts are presented in thousands, except share and per share data.

Principles of Consolidation—The consolidated financial statements include the accounts of Redfin and its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated.

Certain Significant Risks and Business Uncertainties—The Company is subject to the risks and challenges associated with companies at a similar stage of development. These include dependence on key individuals, successful development and marketing of its offerings, and competition with larger companies with greater financial, technical, and marketing resources. Further, during the period required to achieve substantially higher revenue in order to become profitable, the Company may require additional funds that may not be readily available or may not be on terms that are acceptable to the Company.

The Company operates in the online real estate marketplace and, accordingly, can be affected by a variety of factors. For example, management of the Company believes that any of the following factors could have a significant negative effect on the Company's future financial position, results of operations, and cash flows: unanticipated fluctuations in operating results due to seasonality and cyclicality in the real estate industry, changes in home sale prices and transaction volumes, the Company's ability to increase market share, competition and U.S. economic conditions.

Use of Estimates—The preparation of consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the respective periods. The Company's more significant estimates include but are not limited to valuation of deferred income taxes, stock-based compensation, fair value of common stock and redeemable convertible preferred stock, capitalization of website development costs, recoverability of intangible assets with finite lives, and the fair value of reporting units for purposes of evaluating goodwill for impairment. The amounts ultimately realized from the affected assets or ultimately recognized as liabilities will depend on, among other factors, general business conditions and could differ materially in the near term from the carrying amounts reflected in the consolidated financial statements.

Unaudited Pro Forma Consolidated Balance Sheet Data and Unaudited Pro Forma Net Income (Loss) per Share Attributable to Common Stock—The unaudited pro forma information has been prepared assuming that, upon the completion of the public offering contemplated by us, all of the

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

Company's redeemable convertible preferred stock outstanding will automatically convert into shares of common stock, based on the provisions in the Company's Amended and Restated Certificate of Incorporation. The Company prepared the unaudited pro forma basic and diluted net income (loss) per share attributable to common stock for the year ended December 31, 2016 and for the three months ended March 31, 2017, assuming the automatic conversion of the redeemable convertible preferred stock as if the initial public offering had been completed on January 1, 2016.

Cash and Cash Equivalents—The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. Cash equivalents consist primarily of money market instruments.

Restricted Cash and Other Payables—Restricted cash primarily consists of cash held in escrow on behalf of real estate buyers using the Company's title and settlement services. Since the Company does not have rights to the cash, a corresponding customer deposit liability in the same amount is recognized in the consolidated balance sheets in other payables. When a real estate transaction closes, the restricted cash transfers from escrow and the corresponding deposit liability is reduced. Restricted cash is classified as an operating activity in the statement of cash flows due to the reciprocity between restricted cash and other payables representing either simultaneous cash inflows or outflows.

Short-Term Investments—The Company's short-term investments consist of certificates of deposit with maturities of 12 months or less from the balance sheet date. Short-term investments are reported at cost, which approximates fair value, as of each balance sheet date.

Concentration of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents. The Company generally places its cash and cash equivalents and short-term investments with high-credit-quality counterparties to make sure the financial institutions are stable when the Company's deposits exceed Federal Deposit Insurance Corporation limits, and by policy, limit the amount of credit exposure to any one counterparty based on the Company's analysis of the counterparty's relative credit standing. The Company maintains its cash accounts with financial institutions where, at times, deposits exceed federal insurance limits.

Other Assets and Other Current Assets—Other assets consist primarily of leased building security deposits. In May 2016, the Company signed a new lease for its corporate headquarters with a security deposit of $5,424. Other current assets consist primarily of a receivable due from the landlord of the Company's new corporate headquarters. The Company paid the upfront leasehold improvements costs and, once completed, is owed $8,470 in reimbursement that is fully collectable. Additionally, in January 2017, RDFN Ventures, Inc. ("Redfin Now"), a wholly owned subsidiary of the Company, began purchasing properties with the intent of resale. Direct property acquisition and improvement costs are capitalized and tracked directly with each specific property. These are stated at cost unless the utility of the properties is no longer as great as their cost, in which case it is written down to "market". As of December 31, 2015 and 2016 and March 31, 2017 there were $0, $0, and $1,806, respectively, in home inventories included in other current assets.

Leases—The Company categorizes leases at their inception as either operating or capital leases. On certain lease agreements, the Company may receive rent holidays and other incentives. The Company recognizes lease costs on a straight-line basis without regard to deferred payment

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

terms, such as rent holidays, that defer the commencement date of required payments. Additionally, incentives the Company receives are treated as a reduction of rent expense over the term of the agreement and are presented in leasehold improvements and deferred rent on the balance sheet.

Technology and Development—Technology and development costs, which include research and development costs, are expensed as incurred and primarily include personnel costs (including base pay and benefits), stock-based compensation, data licenses, software and equipment, and infrastructure such as for data centers and hosted services. Technology and development expenses also include amortization of capitalized internal-use software and website and mobile application development costs.

Property and Equipment—Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method over the estimated useful life of two to five years. Depreciation and amortization is included in direct real estate operations, technology and development, and general and administrative and is allocated based on estimated usage for each class of asset.

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statements of operations. Repair and maintenance costs are expensed as incurred.

The costs incurred in the preliminary stages of website and software development are expensed as incurred. Once an application has reached the development stage, direct and incremental internal and external costs relating to upgrades or enhancements that meet the criteria for capitalization are capitalized in property and equipment and amortized on a straight-line basis over their estimated useful lives. Maintenance and enhancement costs (including those costs in the post-implementation stages) are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the websites (or software) that result in added functionality, in which case the costs are capitalized and amortized on a straight-line basis over the estimated useful lives.

Capitalized software development activities placed in service are amortized over the expected useful lives of those releases. The Company views capitalized software costs as either internal use or expansion. Currently, internal use and expansion useful lives are estimated at one year and three years, respectively. Amortization expense related to capitalized website and software development costs is included in depreciation and amortization expense under technology and development costs.

Estimated useful lives of website and software development activities are reviewed annually or whenever events or changes in circumstances indicate that intangible assets may be impaired and adjusted as appropriate to reflect upcoming development activities that may include significant upgrades or enhancements to the existing functionality. The Company capitalized software development costs of $2,548, $2,824, and $3,194 during the years ended December 31, 2014, 2015, and 2016, respectively, and $784 and $1,241 for the three months ended March 31, 2016 and 2017, respectively.

Impairment of Long-Lived Assets—Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured first by a comparison of the

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such asset were considered to be impaired, an impairment loss would be recognized when the carrying amount of the asset exceeds the fair value of the asset. To date, no such impairment has occurred.

Intangible Assets—Intangible assets are finite lived and mainly consist of trade names, developed technology and customer relationships and are amortized over their estimated useful lives of ten years. The useful lives were determined by estimating future cash flows generated by the acquired intangible assets. Amortization expense is included in cost of revenue.

Goodwill—Goodwill represents the excess of the purchase price over the fair value of the net tangible assets and identifiable intangible assets acquired in a business combination. Goodwill is not amortized, but is subject to impairment testing. The Company assesses the impairment of goodwill on an annual basis, in its fourth quarter, or whenever events or changes in circumstances indicate that goodwill may be impaired. The Company assesses goodwill for possible impairment by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the Company qualitatively determines that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then the first and second steps of the goodwill impairment test are unnecessary. The first step of the goodwill impairment test identifies if there is potential goodwill impairment. If step one indicates that an impairment may exist, a second step is performed to measure the amount of the goodwill impairment, if any. Goodwill impairment exists when the estimated fair value of goodwill is less than its carrying value. If impairment exists, the carrying value of the goodwill is reduced to fair value through an impairment charge recorded in the Company's statements of operations.

For the Company's most recent impairment assessment performed as of October 1, 2016, the Company performed a qualitative assessment and determined that it was not more likely than not that the fair value of its reporting unit for which goodwill has been assigned was less than its carrying amount. In evaluating whether it was more likely than not that the fair value of its reporting unit was less than its carrying amount, the Company considered macroeconomic conditions, industry and market considerations, cost factors, its overall financial performance, other relevant entity-specific events, potential events affecting its reporting unit, and changes in the fair value of the Company's common stock. The primary qualitative factors the Company considered in its analysis as of October 1, 2016 were the Company's overall financial performance and the fair value of the reporting unit for which goodwill was assigned, which was well in excess of its book value. The aggregate carrying value of goodwill was $9,186 at December 31, 2015 and 2016 and March 31, 2017. Goodwill, associated with the acquisition of Walk Score, Inc. (Note 4), was assigned to the Company's real estate services reporting unit as it benefits from the synergies of the acquisition. There have been no accumulated impairments to goodwill.

Revenue Recognition—Revenue primarily consists of commissions and fees charged on each real estate transaction completed by the Company or its partner agents. The Company's key revenue components are brokerage revenue, partner revenue, and other revenue. The Company recognizes commission-based brokerage revenue upon closing of a real estate transaction, net of any commission refund or any closing-cost reduction. Partner revenue consists of fees earned by referring customers to partner agents. Partner revenue is earned and recognized when partner agents close a referred transaction, net of any refund provided to customers. Fees and revenue from other services are recognized when the service is provided. Revenue earned from selling homes previously

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

purchased by Redfin Now is recorded on a gross basis upon closing. There was no such revenue from home sales for all periods presented.

Revenue earned but not received is recorded as accrued revenue on the accompanying consolidated balance sheets, net of an allowance for doubtful accounts. Commission revenue is known and is clearing escrow, and therefore it is not estimated.

The Company establishes an allowance for doubtful accounts after reviewing historical experience, age of accounts receivable balances and any other known conditions that may affect collectability. The allowance for doubtful accounts balance was $0 as of December 31, 2014 and 2015 and $150 as of December 31, 2016 and March 31, 2017. During the year ended December 31, 2016 there were $290 of charges and $140 of write-offs to the allowance. There were no charges or write-offs during the three months ended March 31, 2016 and 2017.

Cost of Revenue—Costs of revenue consists of personnel costs (including base pay and benefits), stock-based compensation, transaction bonuses, tour and field expenses, listing expenses, business expenses, facilities expenses, and, for Redfin Now, the cost of homes including the purchase price and capitalized improvements.

Advertising and Advertising Production Costs—The Company expenses advertising costs as they are incurred and production costs as of the first date the advertisement takes place. Advertising costs totaled $5,073, $8,394, and $17,570 in 2014, 2015, and 2016 respectively, and $6,185 and $7,005 for the three months ended March 31, 2016 and 2017, respectively, and are included in marketing expenses. Advertising production costs totaled $2,032, $1,661, and $1,640 in 2014, 2015, and 2016, respectively, and $93 and $11 for the three months ended March 31, 2016 and 2017, respectively, and are included in marketing expenses.

Loans Held for Sale—Redfin Mortgage, LLC (“Redfin Mortgage”), a wholly owned subsidiary of the Company, began originating mortgage loans in March 2017. Such mortgage loans are intended to be sold in the secondary mortgage market within a short period of time of origination. Mortgage loans held for sale consist of single-family residential loans collateralized by the underlying property. Mortgage loans held for sale are stated at the lower of cost or estimated fair value. As of March 31, 2017 there were $240 of mortgage loans held for sale.

Derivative Instruments—Redfin Mortgage is party to interest rate lock commitments (“IRLCs”) with customers resulting from mortgage origination operations. IRLCs for single family mortgage loans that Redfin Mortgage intends to sell are considered free-standing derivatives. All free-standing derivatives are required to be recorded on the Company’s consolidated balance sheets at fair value. Because Redfin Mortgage can terminate a loan commitment if the borrower does not comply with the terms of the contract, and some loan commitments may expire without being drawn upon, these commitments do not necessarily represent future cash requirements. The Company does not use derivatives for trading purposes.

Interest rate market risk, related to the residential mortgage loans held for sale and IRLCs, is offset using loan investor commitments. Changes in the fair value of IRLCs and other derivative financial instruments are recognized in revenue, and the fair values are reflected in other current assets and accrued liabilities, as applicable. The Company considers several factors in determining the

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
(information as of March 31, 2017 and for the three months ended March 31, 2016 and 2017 is unaudited)

fair value including the fair value in the underlying loan resulting from the exercise of the commitment and the probability that the loan will not fund according to the terms of the commitment (referred to as a fall-out factor). The value of the underlying loan is affected primarily by changes in interest rates.

Deferred Offering Costs—Deferred offering costs, including legal, accounting and other fees and costs relating to our planned initial public offering, are capitalized and included as a noncurrent asset in the consolidated balance sheets. The deferred offering costs will be offset against initial public offering proceeds upon the closing of the initial public offering within equity. There were $0, $720, and $2,109 of capitalized deferred offering costs as of December 31, 2015 and 2016, and March 31, 2017, respectively.

Income Taxes—Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the consolidated financial statement and tax bases of assets and liabilities at the applicable enacted tax rates. The Company will establish a valuation allowance for deferred tax assets if it is more likely than not that these items will expire before either the Company is able to realize their benefit or that future deductibility is uncertain.

The Company believes that it is currently more likely than not that its deferred tax assets will not be realized and as such, it has recorded a full valuation allowance for these assets. The Company evaluates the likelihood of the ability to realize deferred tax assets in future periods on a quarterly basis, and when appropriate evidence indicates it would release its valuation allowance accordingly. The determination to provide a valuation allowance is dependent upon the assessment of whether it is more likely than not that sufficient taxable income will be generated to utilize the deferred tax assets. Based on the weight of the available evidence, which includes the Company's historical operating losses, lack of taxable income, and accumulated deficit, the Company provided a full valuation allowance against the U.S. tax assets resulting from the tax losses and credits carried forward.

In addition, current tax laws impose substantial restrictions on the utilization of research and development credit and net operating loss ("NOL") carryforwards in the event of an ownership change, as defined by Internal Revenue Code Sections 382 and 383. Such an event, having occurred in the past or in the future, may significantly limit the Company's ability to utilize its NOLs and research and development tax credit carryforwards. In the three months ended March 31, 2017, the Company completed a Section 382 study. The study determined that the Company underwent an ownership change in 2006. Due to the Section 382 limitation determined on the date of the ownership change in 2006, NOL and R&D credits will be reduced by $1,506 and $32, respectively.

Stock-based Compensation—The Company recognizes expense related to the fair value of stock-based compensation. Compensation cost recognized for the years ended December 31, 2014, 2015 and 2016 and the three months ended March 31, 2016 and 2017 includes compensation cost for all stock-based compensation, based on the grant-date fair value, and recognized using the straight-line method over the requisite service period. The fair value of stock options granted was calculated using the Black-Scholes-Merton option-pricing model. Through December 31, 2016, the Company recognized compensation expense for only the portion of options expected to vest using an estimated forfeiture rate that was derived from historical employee termination behavior. On January 1, 2017, the Company adopted Accounting Standards Update ("ASU") 2016-09 and elected to recognize forfeitures as they occur rather than estimate forfeitures. The Company has a stock-based compensation plan that is more fully described in Note 7.

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Recently Adopted Accounting Pronouncements—In January 2017, the Financial Accounting Standard Board ("FASB") issued guidance simplifying the test for goodwill impairment. Step 2 from the goodwill impairment test is no longer required, instead requiring an entity to recognize a goodwill impairment charge for the amount by which the goodwill carrying amount exceeds the reporting unit's fair value. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019, and early adoption is permitted. This guidance must be applied on a prospective basis. The Company adopted this guidance for interim and annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company performs its goodwill assessment annually on October 1 of each year or as events merit. The Company does not expect the adoption of this guidance to impact the Company's financial position, results of operations or cash flows.

In March 2016, the FASB issued guidance on several aspects of the accounting for share-based payment transactions, including the income tax consequences, impact of forfeitures, classification of awards as either equity or liabilities and classification on the statement of cash flows. This guidance is effective for interim and annual reporting periods beginning after December 15, 2016, and early adoption is permitted. The Company adopted this guidance on January 1, 2017 using the modified retrospective approach through a cumulative-effect adjustment of $552 to beginning accumulated deficit, and the Company elected to account for forfeitures as they occur beginning on January 1, 2017. The adoption of this guidance did not have a material impact on the Company's financial position, results of operations or cash flows.

In November 2015, the FASB issued guidance on the balance sheet classification of deferred taxes. This standard requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective for interim and annual reporting periods beginning after December 15, 2016, and early adoption is permitted. The Company has prospectively adopted this guidance as of January 1, 2016. The adoption of this guidance had no effect on the Company's financial position.

Recently Issued Accounting Pronouncements—In November 2016, the FASB issued guidance on the classification and presentation of changes in restricted cash on the statement of cash flows. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, and early adoption is permitted. The adoption of this guidance requires a retrospective transition method to each period presented. The Company expects to adopt this guidance on January 1, 2018. The Company is currently evaluating the effect the adoption of this guidance will have on the Company's cash flows.

In August 2016, the FASB issued guidance on the classification of certain cash receipts and cash payments in the statement of cash flows. This new standard will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, which means that it will be effective for the Company in its fiscal year beginning January 1, 2019. The new standard will require adoption on a retrospective basis unless it is impracticable to apply, in which case the Company would be required to apply the amendments prospectively as of the earliest date practicable. The Company is currently evaluating the effect the adoption of this guidance will have on the Company's statement of cash flows.

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In February 2016, the FASB issued guidance on leases. This standard requires the recognition of a right-of-use asset and lease liability on the balance sheet for all leases. This standard also requires more detailed disclosures to enable users of financial statements to understand the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018, and should be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, and early adoption is permitted. The Company expects to adopt this guidance on January 1, 2019. The Company believes adoption of this standard will have a significant effect on its financial position.

In May 2014, the FASB issued guidance on revenue recognition. This guidance provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The original effective date of this guidance was for interim and annual reporting periods beginning after December 15, 2016, early adoption is not permitted, and the guidance must be applied retrospectively or modified retrospectively. In July 2015, the FASB approved an optional one-year deferral of the effective date. As a result, the Company expects to adopt this guidance on January 1, 2018. In 2016, the FASB issued final amendments to clarify the implementation guidance for principal versus agent considerations, identifying performance obligations and the accounting for licenses of intellectual property. The Company expects to adopt this guidance on January 1, 2018. While the Company does not expect the adoption of this standard to have a significant effect on the Company's financial position, results of operations and cash flows, the Company continues to evaluate its current arrangements with customers and related performance obligations therein and when such performance obligations are satisfied. Additionally the Company continues to evaluate the enhanced disclosure requirements under the new standard.

Note 2: Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, accrued revenue, restricted cash, accounts payable, certain accrued liabilities, and redeemable convertible preferred stock. The fair value of the Company's financial instruments approximates their recorded values due to their short period to maturity. Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The current accounting guidance for fair value measurements defines a three-level valuation hierarchy for disclosures as follows:

Level I—Unadjusted quoted prices in active markets for identical assets or liabilities.

Level II—Inputs other than quoted prices included within Level I that are observable, unadjusted quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

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Level III—Unobservable inputs that are supported by little or no market activity, requiring the Company to develop its own assumptions.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's financial instruments consist of Level I and Level II assets and liabilities. Level I assets include highly liquid money market funds that are included in cash and cash equivalents and Level II assets include certificates of deposit that are included as short-term investments, IRLCs and forward sales commitments, included in other current assets and other current liabilities. The certificates of deposit are measured by observable market data for substantially the full term of the assets or liabilities. Interest rate lock commitments and forward sales commitments are measured by observable marketplace prices. The Company's redeemable convertible preferred stock is categorized as Level III. Redeemable convertible preferred stock is valued at each reporting date based on unobservable inputs and management's judgment due to the absence of quoted market prices, inherent lack of liquidity and the long-term nature of such financial instruments.

The Company's redeemable convertible preferred stock is measured at fair value using a weighted average of the probability weighted expected return method ("PWERM"), the income approach, and the market approach. Specifically, the income and market approach models are weighted in relation to the probability of a private company scenario, whereas the PWERM method is weighted in relation to the probability of future exit scenarios.

The income approach incorporates the use of the discounted cash flow method, whereas the market approach incorporates the use of the guideline public company method. Application of the discounted cash flow method requires estimating the annual cash flows that the business enterprise is expected to generate in the future with the application of a discount rate and terminal value. In the guideline public company method, valuation multiples, including total invested capital, are calculated based on financial statements and stock price data from selected guideline publicly traded companies. A comparative analysis is then performed for factors including, but not limited to size, profitability and growth to determine fair value.

Under the PWERM, value is determined based upon an analysis of future values for the enterprise under different potential outcomes (e.g., sale, merger, IPO, dissolution). The value determined for the enterprise is allocated then allocated to each class of stock based upon the assumption that each class will look to maximize its value. The values determined for each class of stock under each scenario are weighted by the probability of each scenario and then discounted to a present value.

Any change in the fair value is recognized as accretion expense (income) and included as an adjustment to net loss to arrive at net income (loss) attributable to common stock on the consolidated statements of operations. Summary of changes in fair value are reflected in the consolidated balance sheets, consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit, and Note 6.

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Significant unobservable inputs used in the determination of fair value of the Company's redeemable convertible preferred stock included the following:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Valuation methodology:					
Income approach (private company)	0.0%-40.0%	12.5%	12.5%-15.0%	15.0%	12.5%
Market approach (private company)	0.0%-25.0%	12.5%	12.5%-15.0%	15.0%	12.5%
PWERM (IPO)	39.6%-56.3%	56.3%	52.5%-60.0%	52.5%	60.0%
PWERM (M&A)	0.0%-20.4%	18.8%	15.0%-17.5%	17.5%	15.0%
IPO revenue multiple	4.0x-5.0x	4.0x-5.0x	3.0x-4.5x	4.0x-4.5x	2.8x-3.0x
Forecasted revenue growth rate	30.0%-47.0%	30.0%-50.3%	28.0%-41.80%	35.0%-40.9%	31.1%-40.0%
Discount rate	20.0%-35.0%	20.0%-30.0%	20.0%-30.0%	20.0%-25.0%	20.0%

A summary of assets, (liabilities), and (mezzanine equity) at December 31, 2015 and 2016 and March 31, 2017, related to our financial instruments, measured at fair value on a recurring basis, is set forth below:

Financial instrument	Fair value hierarchy	Fair Value December 31, 2015	Fair Value December 31, 2016	Fair Value March 31, 2017 (unaudited)
Money market funds (included in cash and cash equivalents)	Level I	$ 76,689	$ 46,357	$ 23,899
Certificates of deposit (included in short-term investments)	Level II	1,744	1,749	1,750
Interest rate lock commitments	Level II	—	—	6
Forward loan commitments	Level II	—	—	(1)
Redeemable convertible preferred stock (mezzanine equity)	Level III	(599,914)	(655,416)	(680,186)

Note 3: Property and Equipment:

A summary of property and equipment at December 31, 2015 and 2016 and March 31, 2017 is as follows:

	Useful Lives	December 31, 2015	December 31, 2016	March 31, 2017
	(years)	(in thousands)		(unaudited)
Leasehold improvements	Shorter of lease term or economic life	$ 3,559	$ 4,911	$ 15,246
Website and software development costs	1-3	6,939	10,114	11,355
Computer and office equipment	3	2,160	2,846	3,234
Software	3	1,394	1,367	1,367
Furniture	7	1,156	2,406	2,802
Construction in progress		—	10,856	—
		15,208	32,500	34,004
Accumulated depreciation and amortization		(7,830)	(13,274)	(11,639)
Property and equipment, net		$ 7,378	$ 19,226	$ 22,365

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Depreciation and amortization expense for property and equipment amounted to $2,550, $3,907, and $5,805 for the years ended December 31, 2014, 2015, and 2016, respectively, and $1,310 and $1,783 for the three months ended March 31, 2016 and 2017, respectively.

Note 4: Business Combination and Acquired Intangible Assets:

On October 14, 2014, Redfin and Walk Score, Inc., a Washington corporation ("Walk Score"), entered into an agreement and plan of merger (the "Merger Agreement"), pursuant to which Redfin agreed to acquire Walk Score. The transaction closed on October 22, 2014. The acquisition was part of the Company's strategy to better position itself in search engine optimization and increase traffic to the Company's website. The net consideration transferred included $5,500 cash plus working capital and transaction expense adjustments of $282 and 4,000,000 shares of common stock valued at $8,520. There were no contingencies or earn outs included in the consideration. The Company has included the financial results of Walk Score in its consolidated financial statements from the date of acquisition, and the results of operations are not significant. Pro forma financial information for the acquisition accounted for as a business combination has not been presented, as the effects were not material to the Company's consolidated financial statements. The Company incurred acquisition and related costs of approximately $261, which were recorded as expense for the year ended December 31, 2014, and are included in general and administrative in the consolidated statements of operation. Acquisition-related costs include legal costs and professional services.

The allocation of the total consideration to the fair values of the assets acquired and liabilities assumed as of October 22, 2014, the acquisition date, is as follows:

Gross cash contributed by Redfin	$ 5,782
Fair value of common stock	8,520
Gross consideration	$ 14,302
Cash acquired from Walk Score bank accounts	(263)
Walk Score cash-in-transit to satisfy employee payable	(1,445)
Net consideration	$ 12,594

The allocation of the purchase price to Redfin's assets acquired and liabilities assumed, net of cash acquired, is as follows:

Assets acquired:	
Accounts receivable	$ 71
Other current assets	90
Intangible assets	4,880
Goodwill	9,186
Total assets acquired	$ 14,227
Liabilities assumed:	
Accrued and other current liabilities	1,327
Deferred tax liability	306
Total liabilities assumed	1,633
Net assets acquired	$ 12,594

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The acquisition resulted in an income tax benefit due to a reduction of the valuation allowance from the acquired NOL carryforwards. Income tax benefit of $306 (Note 9) and an increase to goodwill by the same amount were recorded.

As part of the business combination, the Company recorded $4,880 in intangible assets, measured at fair value, as reflected in the table below. Acquired intangible assets are amortized using the straight-line method over their estimated useful life, which approximates the expected use of these assets. Amortization expense amounted to $122, $488, and $488 for the years ended December 31, 2014, 2015, and 2016, respectively, and $122 and $122 for the three months ended March 31, 2016 and 2017, respectively.

		December 31, 2015			December 31, 2016			March 31, 2017 (unaudited)		
	Useful Lives (years)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Trade names	10	$1,040	$ (130)	$ 910	$1,040	$ (234)	$ 806	$1,040	$ (260)	$ 780
Developed technology	10	2,980	(372)	2,608	2,980	(670)	2,310	2,980	(745)	2,235
Customer relationships	10	860	(108)	752	860	(194)	666	860	(215)	645
		$4,880	$ (610)	$4,270	$4,880	$ (1,098)	$3,782	$4,880	$ (1,220)	$ 3,660

Note 5: Operating Segments:

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to make operating decisions, allocate resources and in assessing performance. The Company has four operating segments and one reportable segment, real estate. Real estate revenue is derived from commissions and fees charged on real estate transactions closed by us or partner agents. Other revenue consists of fees charged for title and settlement services, mortgage banking operations, marketing services provided to homebuilders by the Company’s builder services group, Walk Score licensing and advertising fees, homes sold through Redfin Now, and other services. There was no such revenue from Redfin Now home sales for all periods presented. The Company’s CODM is its Chief Executive Officer. The CODM evaluates the performance of the Company’s operating segments based on revenue and gross profit. The Company does not analyze discrete segment balance sheet information related to long-term assets, all of which are located in the United States. All other financial information is presented on a consolidated basis.

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Information on each of the reportable and other segments and reconciliation to consolidated net income (loss) is as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Real estate					
Revenue	$ 121,804	$ 181,446	$ 260,383	$ 40,358	$ 58,371
Cost of revenue	89,620	131,522	176,408	36,729	51,156
Gross profit	$ 32,184	$ 49,924	$ 83,975	$ 3,629	$ 7,215
Other					
Revenue	3,559	5,892	6,813	1,278	1,497
Cost of revenue	3,652	6,970	8,044	1,776	2,336
Gross profit	$ (93)	$ (1,078)	$ (1,231)	$ (498)	$ (839)
Consolidated					
Revenue	125,363	187,338	267,196	41,636	59,868
Cost of revenue	93,272	138,492	184,452	38,505	53,492
Gross profit	$ 32,091	$ 48,846	$ 82,744	$ 3,131	$ 6,376
Operating expenses	57,174	79,135	105,528	27,494	34,498
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)

Real estate revenue consisted of the following:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Real estate revenue					
Brokerage revenue	$ 115,701	$ 171,276	$ 244,079	$ 37,988	$ 54,471
Partner revenue	6,103	10,170	16,304	2,370	3,900
Total real estate revenue	$ 121,804	$ 181,446	$ 260,383	$ 40,358	$ 58,371

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Note 6: Redeemable Convertible Preferred Stock and Stockholders' Deficit:

Redeemable Convertible Preferred Stock—Redeemable convertible preferred stock is issuable in one or more series, each with such designations, rights, qualifications, limitations, and restrictions as the board of directors of the Company may determine at the time of issuance. As of December 31, 2015 and 2016 and March 31, 2017, the Company had outstanding redeemable convertible preferred stock as follows:

	As of December 31, 2015 and 2016			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Proceeds, Net of Issuance Costs
Series A-1	4,378,284	4,378,284	$ 500	$ 462
Series A-2	109,552	109,552	11	11
Series A-3	9,099,610	9,099,610	259	241
Series B	36,338,577	36,338,577	7,998	7,952
Series C	33,388,982	33,388,982	12,000	11,950
Series D	28,574,005	28,574,005	10,269	10,201
Series E	12,041,148	12,041,148	14,924	14,841
Series F	20,808,580	20,808,580	50,536	50,453
Series G	21,527,376	21,527,376	70,991	68,062
Total	166,266,114	166,266,114	$ 167,488	$ 164,173

	As of March 31, 2017 (unaudited)			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Proceeds, Net of Issuance Costs
Series A-1	4,378,284	4,378,284	$ 500	$ 462
Series A-2	109,552	109,552	11	11
Series A-3	9,099,610	9,099,610	259	241
Series B	36,338,577	36,338,577	7,998	7,952
Series C	33,388,982	33,388,982	12,000	11,950
Series D	28,574,005	28,574,005	10,269	10,201
Series E	12,041,148	12,041,148	14,924	14,841
Series F	20,808,580	20,808,580	50,536	50,453
Series G	21,527,376	21,527,376	70,991	68,062
Total	166,266,114	166,266,114	$ 167,488	$ 164,173

The terms of all redeemable convertible preferred stock are summarized below:

Conversion—Each share of redeemable convertible preferred stock is convertible at the option of the holder into such number of common stock as is determined by dividing the original issue price by the conversion price in effect at the time of conversion. The original issue prices are as follows: $0.1142 for Series A-1 preferred, $0.0971 for Series A-2 preferred, $0.0285 for Series A-3 preferred, $0.2201 for Series B preferred, $0.3594 for Series C preferred, $0.3594 for Series D preferred, $1.2394 for Series E preferred, $2.4286 for Series F preferred, and $3.2977 for Series G preferred. Under the terms of the Company's Amended and Restated Certificate of Incorporation, redeemable convertible preferred stock shall be automatically converted into shares of common stock upon the

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occurrence of specific events, including a firm commitment underwritten public offering with aggregate net proceeds of not less than $50,000.

Liquidation Preference—In the event of a voluntary or involuntary liquidation, dissolution, or winding-up of the Company, the holders of redeemable convertible preferred stock will be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of common stock, an amount per share equal to the greater of (1) the original issue price (as adjusted for stock splits, stock dividends, reclassifications, and the like) for each share of redeemable convertible preferred stock held by them, plus declared but unpaid dividends, and (2) the amount such holder would have received if, immediately prior to such event, such holder had converted such share of redeemable convertible preferred stock into common stock. After payment of all preferential amounts, the remaining assets shall be distributed ratably among all holders of common stock on a pro rata basis based on the number of shares of common stock outstanding held by each such holder.

Redemption—At any time after December 15, 2021, the holders of not less than 67% of outstanding redeemable convertible preferred stock may request the Company to redeem all the outstanding shares of redeemable convertible preferred stock by paying in cash a sum per share with respect to each share of redeemable convertible preferred stock equal to the greater of (1) the original issue price of each share of preferred stock plus all declared but unpaid dividends or (2) the fair market value of each share of redeemable convertible preferred stock as determined by an appraisal performed by an independent third party approved by holders of at least 67% of the then outstanding shares of redeemable convertible preferred stock and the Company.

Accretion represents the increase or decrease in the redemption value of the Company's redeemable convertible preferred stock. The redemption value increased for all periods presented.

The following table presents the accretion of the redeemable convertible preferred stock to its redemption value recorded within the consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit during the periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Series A-1	$ (3,065)	$ (2,674)	$ (1,618)	$ (85)	$ (701)
Series A-2	(77)	(67)	(40)	(2)	(18)
Series A-3	(6,279)	(5,650)	(3,360)	(83)	(1,365)
Series B	(25,437)	(22,561)	(13,416)	(332)	(5,451)
Series C	(23,372)	(20,390)	(12,333)	(645)	(5,008)
Series D	(20,002)	(17,450)	(10,555)	(552)	(4,286)
Series E	(9,151)	(7,353)	(4,086)	(353)	(1,806)
Series F	(10,404)	(12,494)	(6,025)	(1,030)	(3,121)
Series G	(3,464)	(13,585)	(4,069)	(2,130)	(3,014)
Total	$ (101,251)	$ (102,224)	$ (55,502)	$ (5,212)	$ (24,770)

Voting—The holder of each share of redeemable convertible preferred stock has the right to one vote for each full share of common stock into which its respective shares of redeemable convertible preferred stock would be convertible on the record date for the vote.

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Dividends—The holders of redeemable convertible preferred stock are entitled to receive noncumulative dividends out of any funds legally available, prior and in preference to any declaration or payment of any dividends to holders of common stock. Dividends are payable when, as and if declared by the board of directors at a rate of $0.0091 per share for Series A-1 preferred, $0.0078 per share for Series A-2 preferred, $0.0023 per share for Series A-3 preferred, $0.0176 per share for Series B preferred, $0.0288 per share for Series C preferred and Series D preferred, $0.0992 per share for Series E preferred, $0.1943 per share for Series F preferred, and $0.2638 per share Series G preferred, per year (as adjusted for stock splits, stock dividends, reclassifications and the like). The holders of the redeemable convertible preferred stock also shall be entitled to participate pro rata in any dividends or other distributions paid on the common stock on an as-if-converted basis.

Common Stock—At December 31, 2015 and 2016 and March 31, 2017, the Company was authorized to issue 255,000,000, 290,081,638, and 290,081,638 shares of common stock with a par value of $0.001 per share, respectively.

The Company has reserved shares of common stock, on an as-converted basis, for future issuance as follows:

	December 31,		March 31,
	2015	2016	2017
			(unaudited)
Redeemable convertible preferred stock outstanding	166,266,114	166,266,114	166,266,114
Stock options issued and outstanding	31,235,451	39,876,938	39,068,334
Shares available for future equity grants	1,904,590	14,821,690	15,039,960
Total	199,406,155	220,964,742	220,374,408

Treasury Stock Receivable—In 2013, the Company exercised a repurchase right to reacquire shares outstanding pursuant to separation agreements with two founders. The Company, as of December 31, 2013, recorded a treasury share receivable for $1,170 and recorded a corresponding payable. This transaction resulted in a reduction of 2,924,500 shares of common stock outstanding as of December 31, 2013. In 2014, the Company reached a settlement agreement with the two founders to repurchase only 1,924,500 shares of common stock, which were subsequently retired.

Note 7: Stock-based Compensation:

On November 5, 2004, the Company adopted the 2004 Equity Incentive Plan (as amended to date, the “Plan”), which provides for the issuance of incentive and nonqualified common stock options to employees, directors, officers, and consultants of the Company. Subsequent to adoption, the Company amended the Plan to increase the number of shares of common stock reserved for issuance to 89,651,602. The term of each option shall be no more than 10 years. The options generally vest over a four-year period.

The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The inputs used below are subjective and generally require significant analysis and judgment to develop. The Company has not declared or paid any cash dividends and does not currently expect to do so in the future. The risk-free interest rate used in the Black-Scholes-Merton option-pricing model is based on the implied yield currently available in U.S. Treasury securities at maturity with an equivalent term. Expected volatility is based on an average

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
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volatility of stock prices for a group of real estate and technology industry peers. In 2015, the Company changed the group of comparable companies used to calculate volatility due to external mergers and acquisitions in the real estate industry. The Company uses the "simplified method" to calculate expected life due to the lack of historical exercise data, which assumes a ratable rate of exercise over the contractual life to estimate the expected term for employee options. The expected term of options represents the period that the stock-based awards are expected to be outstanding for the remaining unexercised shares. The range of assumptions for the years ended December 31, 2014, 2015 and 2016 and the three months ended March 31, 2016 and 2017, are provided in the following table:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Expected life	7 years	7 years	7 years	7 years	7 years
Volatility	51.43%-54.56%	42.51%-49.62%	38.15%-41.36%	41.36%	37.88%
Risk-free interest rate	1.88%-2.30%	1.71%-2.01%	1.39%-2.32%	1.66%	2.26%
Dividend yield	0%	0%	0%	0%	0%
Weighted-average grant date fair value	1.17	1.33	1.37	1.34	1.51

The following table presents information regarding options granted, exercised, forfeited, or cancelled for the periods presented:

	Number Of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Outstanding at January 1, 2015	27,672,196	$ 0.93	8.05	33,277
Options granted	10,569,087	2.77		
Options exercised	(4,290,504)	0.43		10,469
Options forfeited or canceled	(2,715,328)	1.65		
Outstanding at December 31, 2015	31,235,451	1.54	7.98	41,543
Options granted	11,931,272	2.87		
Options exercised	(1,882,406)	0.75		5,184
Options forfeited or canceled	(1,407,379)	2.31		
Outstanding at December 31, 2016	39,876,938	1.95	7.74	61,774
Options granted (unaudited)	266,200	3.50		
Options exercised (unaudited)	(590,334)	0.93		1,574
Options forfeited or canceled (unaudited)	(484,470)	2.61		
Outstanding at March 31, 2017 (unaudited)	39,068,334	1.97	7.54	63,735
Options exercisable at December 31, 2016	20,454,923	1.28	6.53	45,496
Options exercisable at March 31, 2017 (unaudited)	21,708,990	1.37	6.48	48,594

The total grant date fair value of shares vested during 2014, 2015, and 2016 and the three months ended March 31, 2016 and 2017 was $3,630, $4,917, $9,817, and $1,580, and $2,287 respectively. The total grant date fair value of shares exercised during 2014, 2015, and 2016 and the three months ended March 31, 2016 and 2017 was $1,295, $1,373, $911, $186, and $406, respectively.

Redfin Corporation and Subsidiaries
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The following table presents the detail of stock-based compensation amounts included in the Company's consolidated statements of operations for the periods indicated below:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Cost of revenue	$ 1,280	$ 1,440	$ 2,266	$ 518	$ 714
Technology and development	962	1,375	2,383	539	731
Marketing	237	298	469	110	119
General and administrative	2,717	2,449	3,295	654	1,117
Total stock-based compensation	$ 5,196	$ 5,562	$ 8,413	$ 1,821	$ 2,681

Stock-based compensation of $373 is included in general and administrative expenses attributable to the tender offer that occurred in January 2014. Existing investors acquired 1,540,023 shares of common stock at a premium of $0.39 per share over the fair value at the time of the tender offer. Of the 1,540,023 shares, 959,940 were purchased from employees and 580,083 were purchased from non-employees. The premium attributable to the shares tendered from non-employees for $225 were treated as an in-substance dividend.

Stock-based compensation of $970 is included in general and administrative expenses attributable to the stock modification settlement with two founders. The settlement agreement provided a total of 1,000,000 shares of common stock will remain outstanding and will not be subject to a right of repurchase. The settlement occurred in 2014 (Note 6).

Stock-based compensation of $772 is included in general and administrative expenses attributable to the tender offer that closed in August 2015. An existing investor acquired 4,780,236 shares of common stock at a premium of $0.72 per share over the fair value at the time of the tender offer. Of the 4,780,236 shares, 1,074,992 were purchased from employees and 3,705,244 were purchased from non-employees. The premium attributable to the shares tendered from non-employees in the amount of $2,659 was treated as an in-substance dividend.

The Company capitalizes stock-based compensation related to work performed on internally developed software. There was $0, $49, and $100 of stock-based compensation that was capitalized in the years ended 2014, 2015, and 2016, respectively, and $0 and $74 during the three months ended March 31, 2016 and 2017, respectively. All stock-based compensation is related to employees in technology and development.

There was $22,297 and $22,331 of total unrecognized stock-based compensation related to non-vested stock option arrangements granted under the Plan as of December 31, 2016 and March 31, 2017, respectively. These costs are expected to be recognized over a weighted-average period of 2.71 years and 2.58 years, respectively. The total fair value of options vested was $41,223 and $71,592 as of December 31, 2015 and December 31, 2016, respectively, and $78,152 as of March 31, 2017.

Redfin Corporation and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)
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Note 8: Net Income (Loss) per Share Attributable to Common Stock:

Net income (loss) per share attributable to common stock is computed by dividing the net income (loss) attributable to common stock by the weighted-average number of common shares outstanding. The Company has outstanding stock options and redeemable convertible preferred stock, which are included in the calculation of diluted net income (loss) attributable to common stock per share whenever doing so would be dilutive.

The Company calculates basic and diluted net income (loss) per share attributable to common stock in conformity with the two-class method required for companies with participating securities. The Company considers all series of redeemable convertible preferred stock to be participating securities. Under the two-class method, net loss attributable to common stock is not allocated to the redeemable convertible preferred stock as the holders of redeemable convertible preferred stock do not have a contractual obligation to share in losses.

Diluted net income (loss) per share attributable to common stock is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, redeemable convertible preferred stock and options to purchase common stock are considered anti-dilutive securities for all periods presented. Basic and diluted net income (loss) per share attributable to common stock was the same for each period presented.

The following table sets forth the calculation of basic and diluted net income (loss) per share attributable to common stock during the periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Numerator:					
Net income (loss)	$ (24,730)	$ (30,236)	$ (22,526)	$ (24,279)	$ (28,066)
Accretion of preferred stock	(101,251)	(102,224)	(55,502)	(5,212)	(24,770)
Net income (loss) attributable to common stock—basic and diluted	$ (125,981)	$ (132,460)	$ (78,028)	$ (29,491)	$ (52,836)
Denominator:					
Weighted average shares used to compute net income (loss) per share attributable to common stock—basic and diluted	32,150,025	40,249,762	43,185,844	42,710,904	44,303,191
Net income (loss) per share attributable to common stock—basic and diluted	$ (3.92)	$ (3.29)	$ (1.81)	$ (0.69)	$ (1.19)

Redfin Corporation and Subsidiaries
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The following outstanding shares of common stock equivalents were excluded from the computation of the diluted net income (loss) per share attributable to common stock for the periods presented because their effect would have been anti-dilutive:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	
Redeemable convertible preferred stock	166,266,114	166,266,114	166,266,114	166,266,114	166,266,114
Options outstanding	27,672,196	31,235,451	39,876,938	32,001,165	39,068,334
Total	193,938,310	197,501,565	206,143,052	198,267,279	205,334,448

Note 9: Income Taxes:

The Company's deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table represents the significant components of the Company's deferred tax assets and liabilities for the periods presented:

	December 31,	
	2015	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 29,576	$ 31,618
Credit carryforwards	2,735	3,200
Accruals and reserves	3,094	6,389
Gross deferred tax assets	35,405	41,207
Valuation allowance	(31,507)	(38,307)
Total deferred tax assets, net of valuation allowance	3,898	2,900
Deferred tax liabilities:		
Intangible assets	(1,625)	(1,419)
Prepaid expenses	(2,273)	(1,481)
Total deferred tax liabilities	(3,898)	(2,900)
Net deferred tax assets and liabilities	$ —	$ —

The valuation allowance increased by $7,868, $11,296, and $6,800 during the years ended December 31, 2014, 2015 and 2016, respectively.

The following table represents the Company's NOL carryforwards as of December 31, 2015 and 2016:

	December 31,	
	2015	2016
Federal	$ 79,373	$ 84,973
Various states	3,993	4,133

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NOL carryforwards are available to offset federal taxable income and begin to expire in 2025. NOL carryforwards for states range from 5 to 20 years.

Current tax laws impose substantial restrictions on the utilization of research and development credits and NOL carryforwards in the event of an ownership change, as defined by the Internal Revenue Code Section 382 and 383. Such an event may significantly limit the Company's ability to utilize its net NOLs and research and development tax credit carryforwards. In the three months ended March 31, 2017, the Company completed a Section 382 study. The study determined that the Company underwent an ownership change in 2006. Due to the Section 382 limitation determined on the date of the ownership change in 2006, NOL and R&D credits will be reduced by $1,506 and $32, respectively.

The components of loss before provision (benefit) for income taxes for the years ended December 31, 2014, 2015, and 2016 were $(25,036), $(30,236), and $(22,526), respectively, and the component of the provision (benefit) for income taxes was $(306) (Note 4) in the year ended December 31, 2014, which related to a deferred tax liability from the Walk Score business combination.

In 2014, the Company acquired Walk Score in a nontaxable stock transaction and recorded $4,800 of identified intangibles and $4,700 of federal NOL carryforwards. The purchase accounting for the identified intangibles created a deferred tax liability, which represents a source of future income. The Company inherited Walk Score's federal NOLs, which created a deferred tax asset to absorb the future income from the intangible deferred tax liability. Walk Score did not have any state NOLs to absorb future income from the intangible deferred tax liability, resulting in part of the valuation allowance on the Company's state NOLs being released, resulting in a tax benefit of $306 and corresponding adjustment to goodwill.

The reconciliation of the U.S. federal income tax at statutory rate with the Company's effective income tax rate:

	December 31,		
	2014	2015	2016
U.S. federal income tax at statutory rate	34.00%	34.00%	34.00%
State taxes (net of federal benefit)	3.56	3.86	2.49
Permanent differences	(6.23)	(2.94)	(8.21)
Federal research and development credit	1.87	2.42	2.06
Change in valuation allowance	(32.45)	(37.36)	(30.19)
Nondeductible expenses and others	0.47	0.02	(0.15)
Effective income tax rate	1.22%	—%	—%

Permanent differences consist primarily of stock compensation expense related to incentive stock options in the amounts of (6.89)%, (4.90)%, and (7.87)% for the years ended December 31, 2014, 2015, and 2016, respectively.

The Company recorded a tax benefit of $306, $0, and $0 for the years ended December 31, 2014, 2015, and 2016, respectively. The difference between the U.S. federal income tax at statutory rate of 34% and the Company's effective tax rate in all periods is primarily due to a full valuation allowance related to the Company's U.S. deferred tax assets.

Redfin Corporation and Subsidiaries
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The Company accounts for uncertainty in income taxes in accordance with ASC 740. Tax positions are evaluated in a two-step process, whereby the Company first determines whether it is more likely than not that a tax position will be sustained upon examination by the tax authority, including resolutions of any related appeals or litigation processes, based on technical merit. If a tax position meets the more-likely-than-not recognition threshold it is then measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

The following table summarized the activity related to unrecognized tax benefits:

	December 31,	
	2015	2016
Unrecognized benefit—beginning of year	$ 458	$ 684
Gross increases (decreases)—prior year tax positions	—	—
Gross increases (decreases)—current year tax positions	226	116
Unrecognized benefit—end of year	$ 684	$ 800

All of the unrecognized tax benefits as of December 31, 2015 and 2016 are accounted for as a reduction in the Company's deferred tax assets. Due to the Company's valuation allowance, none of the $684 and $800 of unrecognized tax benefits would affect the Company's effective tax rate, if recognized. The Company does not believe it is reasonably possible that its unrecognized tax benefits will significantly change in the next twelve months.

The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. There was no interest or penalties accrued related to unrecognized tax benefits for 2015 and 2016 and no liability for accrued interest or penalties related to unrecognized tax benefits as of December 31, 2016.

The Company's material income tax jurisdiction is the United States (federal). As a result of NOL carryforwards, the Company is subject to audit for tax years 2005 and forward for federal purposes. There are tax years which remain subject to examination in various other jurisdictions that are not material to the Company's financial statements.

Note 10: Commitments and Contingencies:

Legal Proceedings—In 2013, third-party licensed sales associates filed three lawsuits against the Company in the Superior Court of the State of California. Two of the actions, which are pled as "class actions," were removed to and are now pending in the Northern District of California. One of these cases also includes representative claims under California's Private Attorney General Act, Labor Code section 2698 et. seq ("PAGA"). The third action is pending in the Los Angeles County Superior Court and asserts representative claims under PAGA. All three complaints alleged that the Company had misclassified current and former third-party licensed sales associates in California as independent contractors.

In March 2017, the Company entered into an agreement in principle to settle these lawsuits with an aggregate payment of $1,800. The proposed settlement agreement does not contain any

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admission of liability, wrongdoing, or responsibility by any of the parties. The proposed settlement class contemplated by the agreement includes all current and former third party licensed sales associates engaged by the Company in California from January 16, 2009, through April 29, 2017. The parties are currently negotiating a definitive settlement agreement that, if entered, will be subject to court approval. The Company has recorded an accrual for $1,800 as of December 31, 2016.

The claims vary from case to case, but generally seek compensation for unpaid wages, overtime, and failure to provide meal and rest periods, as well as reimbursement of business expenses.

As with all class action and representative litigation, these cases are inherently complex and subject to many uncertainties. In the event the settlement in principle is either not finalized or not approved, the actions may continue and a class may be certified. If that happens, there can be no assurance the plaintiffs will not seek substantial damage awards, penalties, attorneys' fees, or other remedies. The Company believes it has complied with all applicable laws and regulations and that it properly classified the third-party licensed sales associates as independent contractors.

In addition, from time to time, the Company is involved in litigation, claims and other proceedings arising in the ordinary course of business. Such litigation and other proceedings may include, but are not limited to, actions relating to employment law, intellectual property, the Real Estate Settlement Procedures Act of 1974, the Fair Housing Act of 1968, or other consumer protection statute claims, commercial or contractual arrangements, brokerage- or real estate related-disputes, ordinary-course brokerage disputes like the failure to disclose property defects, and vicarious liability based upon conduct of individuals or entities outside of the Company's control, including partner agents and third-party contractor agents. Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and could require significant management time and resources.

Redfin Corporation and Subsidiaries
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Facility Leases and Other Commitments—The Company leases its office space under noncancelable operating leases with terms ranging from one to eleven years. The leases require a fixed minimum rent with contractual minimum rent increases over the lease term, and certain leases include escalation provisions. Rent expense totaled $2,860, $4,147, and $5,811 for the years ended December 31, 2014, 2015, and 2016, respectively and $1,065 and $2,645 for the three months ended March 31, 2016 and 2017, respectively. Other commitments primarily relate to network infrastructure for the Company's data operations and commitments for the Company's annual corporate meeting. Also included are homes that we are under contract to purchase through Redfin Now but that have not closed. Future minimum payments due under these agreements as of December 31, 2016 and March 31, 2017 are as follows:

	Facility Leases		Other Commitments	
	December 31, 2016	March 31, 2017 (unaudited)	December 31, 2016	March 31, 2017 (unaudited)
2017	$ 4,803	$ 3,940	$ 2,123	$ 1,770
2018	6,227	6,392	848	979
2019	6,652	6,769	—	—
2020	5,563	5,681	—	—
2021 and thereafter	32,262	32,372	—	—
Total minimum lease payments	$ 55,507	$ 55,154	$ 2,971	$ 2,749

Mortgage Warehouse Agreement—In December 2016, Redfin Mortgage entered into a Mortgage Warehouse Agreement with Texas Capital Bank, National Association ("Texas Capital"). Pursuant to the Mortgage Warehouse Agreement, Texas Capital agrees to fund loans originated by Redfin Mortgage, in its discretion, up to $10,000 in the aggregate and to take a security interest in such loans. The per annum interest rate payable to Texas Capital is a fixed rate equal to the rate of interest accruing on the outstanding principal balance of the loan, minus 1.5%, or 3.0%, whichever is higher. For each loan in which Texas Capital elects to purchase a participation interest, it will acquire an undivided 97% participation interest, by paying as the purchase price an amount equal to the participation interest multiplied by the principal balance of the loan. If a loan is not sold to a correspondent lender, Texas Capital's participation interest in the loan is to be repurchased in whole or in part by Redfin Mortgage.

The Mortgage Warehouse Agreement requires the Company to maintain certain financial covenants and to provide Texas Capital with annual and quarterly financial statements, periodic compliance certificates, and quality control and audit summaries. The Company and Redfin Mortgage are required to satisfy, on an ongoing basis, specified tangible net worth and liquid asset minimums, and shall not incur pre-tax net losses for two consecutive quarters. The Company has a history of net losses in consecutive quarters. The Mortgage Warehouse Agreement expires on December 21, 2017. As of December 31, 2016 and March 31, 2017, there were $0 and $233, respectively, outstanding under the Mortgage Warehouse Agreement.

Redfin Corporation and Subsidiaries
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Note 11: Accrued Liabilities:

The following table presents the detail of accrued liabilities as of the dates presented:

	December 31,		March 31,
	2015	2016	2017
			(unaudited)
Accrued compensation and benefits	$ 13,707	$ 16,659	$ 19,150
Legal fees and settlements	315	2,795	2,375
Miscellaneous accrued liabilities	870	2,799	6,256
Total accrued liabilities:	$ 14,892	$ 22,253	$ 27,781

Note 12: Retirement Plan:

The Company adopted a 401(k) profit sharing plan effective January 2005. The plan covers eligible employees as of their hire date. The 401(k) component of the plan allows employees to elect to defer from 1% to 100% of their eligible compensation up to the federal limit per year. Company-matching and profit-sharing contributions are discretionary and are determined annually by Company management and approved by the board of directors. No matching or profit-sharing contributions were declared for the years ended December 31, 2014, 2015 or 2016, or the three months ended March 31, 2016 and 2017.

Note 13: Subsequent Events:

The Company has evaluated subsequent events and transactions through April 5, 2017, the date the audited consolidated financial statements were issued.

The Company has evaluated subsequent events from April 1, 2017 through June 5, 2017, the date the unaudited interim financial statements were issued, and further evaluated subsequent events through June 30, 2017.

Master Repurchase Agreement—In June 2017, Redfin Mortgage entered into a Master Repurchase Agreement with Western Alliance Bank. Pursuant to the Master Repurchase Agreement, Western Alliance Bank, in its discretion, will fund up to $10,000 in aggregate loans originated by Redfin Mortgage. The Master Repurchase Agreement is in addition to, and does not replace, the Mortgage Warehouse Agreement with Texas Capital. There are no amounts drawn as of June 30, 2017.

Legal Settlement Update—As disclosed in Note 10, in 2013, third-party licensed sales associates filed three lawsuits against the Company in the Superior Court in the State of California. In June 2017, the Company entered into a definitive agreement to settle the lawsuits. The settlement agreement contemplates an aggregate payment of $1,800, which the Company accrued as of December 31, 2016. The settlement agreement does not contain any admission of liability, wrongdoing, or responsibility by any parties. The settlement class contemplated by the agreement includes all current and former third-party licensed sales associates working with the Company in California during the period beginning January 16, 2009 and ending April 29, 2017. The settlement agreement is subject to court approval.

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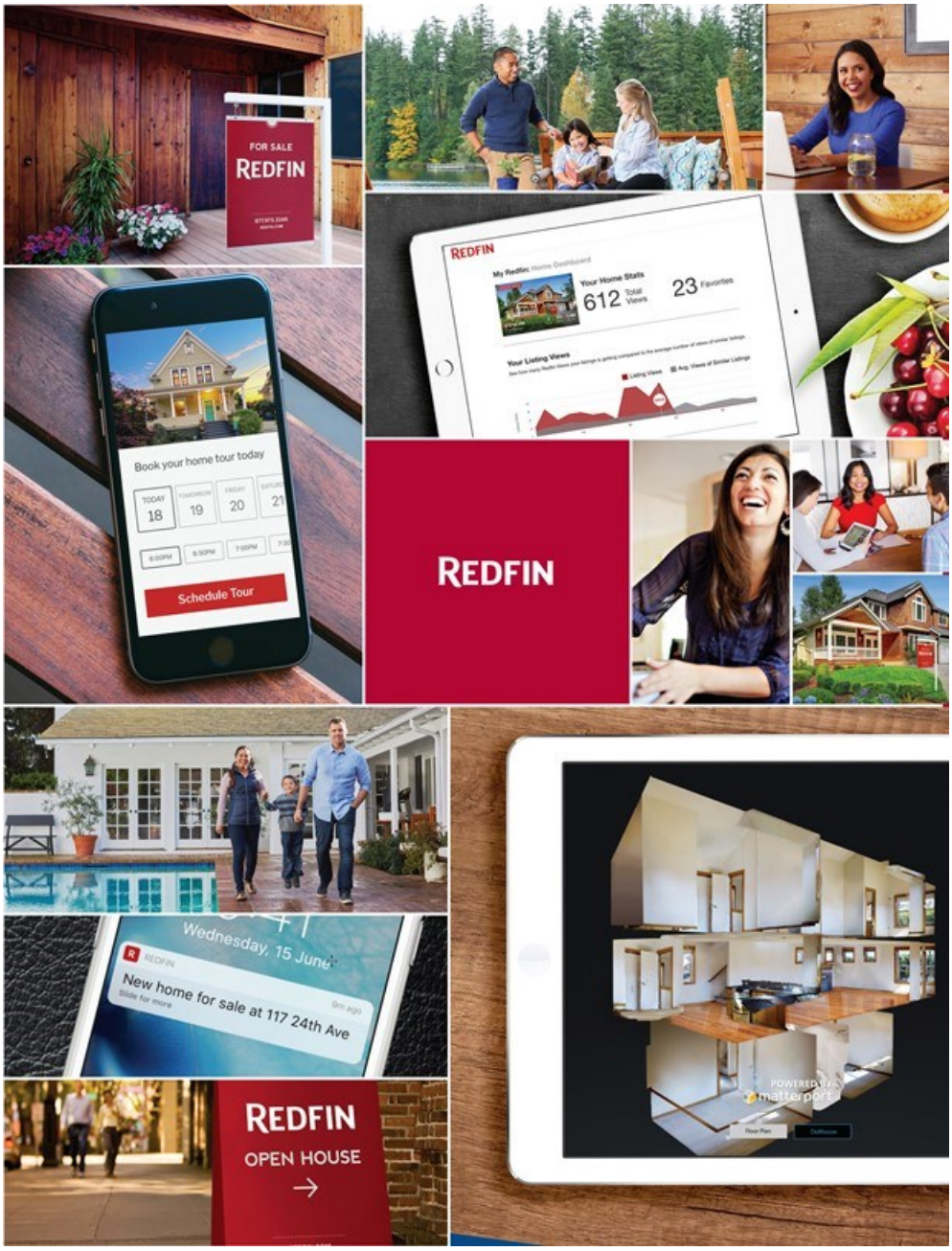

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses to be paid by the Registrant, other than the estimated underwriting discount, in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the FINRA filing fee, and The NASDAQ Global Select Market listing fee.

SEC registration fee	$ 11,590
FINRA filing fee	15,500
NASDAQ Global Select Market listing fee	*
Printing and engraving	*
Legal fees and expenses	*
Accounting fees and expenses	*
Road show expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law, or DGCL, authorizes a court to award, or a company's board of directors to grant, indemnity to directors and officers under certain circumstances and subject to certain limitations. The terms of Section 145 of the DGCL are sufficiently broad to permit indemnification under certain circumstances for liabilities, including reimbursement of expenses incurred, arising under the Securities Act.

As permitted by the DGCL, the Registrant's restated certificate of incorporation that will be in effect immediately prior to the completion of this offering contains provisions that eliminate the personal liability of its directors for monetary damages for any breach of fiduciary duties as a director, except liability for the following:

- any breach of the director's duty of loyalty to the Registrant or its stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (regarding unlawful dividends and stock purchases); or
- any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, the Registrant's restated bylaws that will be in effect immediately prior to the completion of this offering provide that:

- the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the DGCL, subject to very limited exceptions;

- the Registrant may indemnify its other employees and agents as set forth in the DGCL;
- the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to very limited exceptions; and
- the rights conferred in the restated bylaws are not exclusive.

Prior to this offering, the Registrant has entered into indemnification agreements with each of its current directors and executive officers to provide these directors and executive officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's restated certificate of incorporation and restated bylaws and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving a director, executive officer, or employee of the Registrant regarding which indemnification is sought. Reference is also made to the underwriting agreement filed as Exhibit 1.1 to this Registration Statement, which provides for the indemnification of executive officers, directors, and controlling persons of the Registrant against certain liabilities. The indemnification provisions in the Registrant's restated certificate of incorporation and restated bylaws and the indemnification agreements entered into or to be entered into between the Registrant and each of its directors and executive officers may be sufficiently broad to permit indemnification of the Registrant's directors and executive officers for liabilities arising under the Securities Act.

The Registrant has directors' and officers' liability insurance for its directors and officers.

Certain of the Registrant's directors are also indemnified by their employers with regard to their service on the Registrant's board of directors.

Reference is made to the following documents filed as exhibits to this Registration Statement regarding relevant indemnification provisions described above and elsewhere herein:

Exhibit Document	Number
Form of Underwriting Agreement.	1.1
Form of Restated Certificate of Incorporation of the Registrant, to be effective immediately prior to the completion of this offering.	3.2
Form of Restated Bylaws of the Registrant to be effective immediately prior to the completion of this offering.	3.4
Amended and Restated Investors' Rights Agreement by and among the Registrant and certain security holders of the Registrant dated December 15, 2014, as amended.	4.2
Form of Indemnification Agreement.	10.1

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

From June 28, 2014 through June 28, 2017, the Registrant has issued the following securities:

1. From June 28, 2014 through June 28, 2017, the Registrant granted options to employees, directors, consultants, and other service providers to purchase an aggregate of 30,808,273 shares of common stock under its Amended and Restated 2004 Equity Incentive Plan, or 2004 Plan, with per share exercise prices ranging from $2.13 to $3.60 per share.

2. From June 28, 2014 through June 28, 2017, employees, directors, consultants, and other service providers of the Registrant exercised options granted under the 2004 Plan

aggregating 8,766,972 shares of common stock with exercise prices ranging from $0.12 per share to $3.05 per share for an aggregate exercise price of approximately $4.76 million.

3. In December 2014, the Registrant issued and sold to 28 accredited investors an aggregate of 21,527,376 shares of Series G preferred stock, at a purchase price of $3.2977 per share, for aggregate consideration of approximately $71.0 million. In connection with the completion of the offering described in this Registration Statement, these shares of Series G preferred stock will convert into 21,527,376 shares of common stock.

4. In October 2014, the Registrant issued to 31 investors, who were either accredited or aided by a purchaser representative, an aggregate of 3,600,873 shares of common stock in connection with the acquisition of Walk Score, Inc.

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the stock certificates issued in these transactions.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

Exhibit Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation, as currently in effect.
3.2*	Form of Restated Certificate of Incorporation to be effective immediately prior to the completion of this offering.
3.3	Amended and Restated Bylaws, as currently in effect.
3.4*	Form of Restated Bylaws to be effective immediately prior to the completion of this offering.
4.1*	Form of Common Stock Certificate.
4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain security holders of the Registrant dated December 15, 2014, as amended.
5.1*	Opinion of Fenwick & West LLP.
10.1*	Form of Indemnification Agreement.
10.2	Amended and Restated 2004 Equity Incentive Plan, and forms of award agreements thereunder.
10.3*	2017 Equity Incentive Plan, and forms of award agreements thereunder.
10.4	Amended and Restated Offer Letter by and between the Registrant and Glenn Kelman, dated June 27, 2017.
10.5	Amended and Restated Offer Letter by and between the Registrant and Bridget Frey, dated June 27, 2017.
10.6	Amended and Restated Offer Letter by and between the Registrant and Scott Nagel, dated June 27, 2017.

Exhibit Number	Exhibit Title
10.7	Amended and Restated Office Lease by and between the Registrant and Hudson 1099 Stewart Street, LLC, as successor in interest to Hill7 Developers, LLC, dated effective as of May 9, 2016.
10.8	Mortgage Warehouse Agreement by and between Redfin Mortgage, LLC and Texas Capital Bank, National Association, dated December 21, 2016.
10.9	Master Repurchase Agreement by and between Redfin Mortgage, LLC and Western Alliance Bank, dated June 15, 2017.
10.10	Guaranty by and between the Registrant and Western Alliance Bank, dated June 15, 2017.
21.1	List of Subsidiaries.
23.1*	Consent of Fenwick & West LLP (included in Exhibit 5.1).
23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (included on page II-6).

* To be filed by amendment.

(b) Financial Statement Schedule.

All financial statement schedules are omitted because they are not applicable or the information is included in the Registrant's consolidated financial statements or related notes.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on June 30, 2017.

REDFIN CORPORATION

By: /s/ Glenn Kelman
Glenn Kelman
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Glenn Kelman and Chris Nielsen, and each of them, as his or her true and lawful attorneys-in-fact, proxies and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments or any abbreviated Registration Statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, proxies and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, proxies and agents, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name	Title	Date
/s/ Glenn Kelman Glenn Kelman	President, Chief Executive Officer and Director (Principal Executive Officer)	June 30, 2017
/s/ Chris Nielsen Chris Nielsen	Chief Financial Officer (Principal Financial and Accounting Officer)	June 30, 2017
/s/ Robert Mylod, Jr. Robert Mylod, Jr.	Chairman of the Board of Directors	June 30, 2017
/s/ Robert Bass Robert Bass	Director	June 30, 2017
/s/ Julie Bornstein Julie Bornstein	Director	June 30, 2017
/s/ Andrew Goldfarb Andrew Goldfarb	Director	June 30, 2017

Name	Title	Date
/s/ Paul Goodrich Paul Goodrich	Director	June 30, 2017
/s/ Austin Ligon Austin Ligon	Director	June 30, 2017
/s/ James Slavet James Slavet	Director	June 30, 2017
/s/ Selina Tobaccowala Selina Tobaccowala	Director	June 30, 2017

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EXHIBIT INDEX

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23.2	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (included on page II-6).

* To be filed by amendment.

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
REDFIN CORPORATION

Redfin Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "***Corporation***"), does hereby certify that:

1. The original name of the Corporation was Appliance Computing Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on February 22, 2005.

2. The Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by the directors and stockholders of the Corporation, and written notice was duly given or will be given pursuant to Section 228 to those stockholders who did not approve the Amended and Restated Certificate of Incorporation by written consent.

3. The Amended and Restated Certificate of Incorporation so adopted reads in full as attached hereto asExhibit A and is hereby incorporated herein by this reference.

IN WITNESS WHEREOF, Redfin Corporation has caused this Certificate to be signed by the Chief Executive Officer this 15th day of December, 2014.

REDFIN CORPORATION

By: /s/ GLENN KELMAN
Glenn Kelman
Chief Executive Officer

EXHIBIT A

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
REDFIN CORPORATION

ARTICLE 1
NAME

The name of the Corporation is Redfin Corporation.

ARTICLE 2
REGISTERED OFFICE AND AGENT

The respective names of the county and of the city within the county in which the registered office of the Corporation is to be located in the State of Delaware are the county of Kent and the City of Dover. The name and address by street and number of said registered agent is National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, County of Kent, Delaware 19904.

ARTICLE 3
PURPOSE

The Corporation is organized for the purposes of transacting any and all lawful business for which a corporation may be incorporated under Section 102 of the Delaware General Corporation Law, as amended.

ARTICLE 4
CAPITAL STOCK

Section 1. ***Authorized Capital***. The total number of shares which the Corporation is authorized to issue is 421,266,114 consisting of 255,000,000 shares of common stock, $.001 par value per share (the "***Common Stock***"), and 166,266,114 shares of preferred stock, $.001 par value per share, of which 4,378,284 shares are designated "***Series A-1 Preferred Stock***," 109,552 shares are designated "***Series A-2 Preferred Stock***," 9,099,610 shares are designated "***Series A-3 Preferred Stock***," 36,338,577 shares are designated "Series B Preferred Stock" (the "***Series B Preferred Stock***"), 33,388,982 shares are designated "Series C Preferred Stock" (the "***Series C Preferred Stock***"), 28,574,005 shares are designated "Series D Preferred Stock" (the "***Series D Preferred Stock***"), 12,041,148 shares are designated "Series E Preferred Stock" (the "***Series E Preferred Stock***"), 20,808,580 shares are designated "Series F Preferred Stock" (the "***Series F Preferred Stock***") and 21,527,376 shares are designated "Series G Preferred Stock" (the "***Series G Preferred Stock***"). The Series A-1 Preferred Stock, the Series A-2 Preferred Stock and the Series A-3 Preferred Stock are referred to herein collectively as the "***Series A Preferred Stock***," and the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are referred to herein collectively as the "***Preferred Stock***." The rights, preferences, and the other terms of the Preferred Stock are set forth in Article 5. The Common Stock is subject to the rights and preferences of the Preferred Stock as set forth below.

ARTICLE 5
TERMS OF PREFERRED STOCK AND COMMON STOCK

The Preferred Stock and Common Stock shall have the rights, privileges and preferences set forth below.

Section 1. ***Dividends***. The holders of the Series A-1 Preferred Stock, the holders of the Series A-2 Preferred Stock, the holders of the Series A-3 Preferred Stock, the holders of Series B Preferred Stock, the holders of Series C Preferred Stock, the holders of Series D Preferred Stock, the holders of Series E Preferred Stock, the holders of Series F Preferred Stock and the holders of Series G Preferred Stock shall be entitled to receive, out of any funds legally available therefor, noncumulative dividends at the rate of $0.0091 per share in the case of the Series A-1 Preferred Stock, $0.0078 per share in the case of the Series A-2 Preferred Stock, $0.00228 per share in the case of the Series A-3 Preferred Stock, $0.01761 per share in the case of the Series B Preferred Stock, $0.028752 per share in the case of the Series C Preferred Stock, $0.028752 per share in the case of the Series D Preferred Stock, $0.0992 per share in the case of the Series E Preferred Stock, $0.1943 per share in the case of the Series F Preferred Stock and $0.2638 per share in the case of the Series G Preferred Stock, per year (in each case, as adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), payable in preference and priority to any payment of any dividend on Common Stock when, as and if declared by the Board of Directors. No right shall accrue to holders of Series A-1 Preferred Stock, holders of Series A-2 Preferred Stock, holders of Series A-3 Preferred Stock, holders of Series B Preferred Stock, holders of Series C Preferred Stock, holders of Series D Preferred Stock, holders of Series E Preferred Stock, holders of Series F Preferred Stock or holders of Series G Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year. The holders of the Preferred Stock also shall be entitled to participate pro rata in any dividends or other distributions paid on the Common Stock on an as-if-converted basis.

In the event that the Corporation shall have declared but unpaid dividends outstanding immediately prior to, and in the event of, a conversion of Preferred Stock (as provided in Article 5 Section 3 hereof), the Corporation shall, at the option of the Corporation, pay in cash to each holder of Preferred Stock subject to conversion the full amount of any such dividends or allow such dividends to be converted into Common Stock in accordance with, and pursuant to the terms specified in, Article 5 Section 3 hereof.

Section 2. ***Liquidation Preference***.

(a) In the event of any Liquidation Event (as defined below) of the Corporation, either voluntary or involuntary, prior and in preference to any distribution of any of the assets or funds of the Corporation to the holders of the Common Stock by reason of their ownership of such stock, the holders of Preferred Stock shall be entitled to receive for each outstanding share of Preferred Stock then held by them an amount equal to the greater of (i) (A) in the case of Series G Preferred Stock, $3.2977 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (B) in the case of Series F Preferred Stock, $2.4286 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (C) in the case of Series E Preferred Stock, $1.2394 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (D) in the case of Series D Preferred Stock, $0.3594 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock

combinations, stock dividends, stock splits and the like), (E) in the case of Series C Preferred Stock, $0.3594 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (F) in the case of Series B Preferred Stock, $0.22013 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (G) in the case of Series A-1 Preferred Stock, $0.1142 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), (H) in the case of the Series A-2 Preferred Stock, $0.0971 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like), and (I) in the case of Series A-3 Preferred Stock, $0.02855 plus declared but unpaid dividends on such share (in each case, as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like) and (ii) the amount such holder would have received if, immediately prior to the consummation of the Liquidation Event, such holder had converted its shares of Preferred Stock into Common Stock pursuant to Article 5, Section 3(a). If, upon the occurrence of a Liquidation Event, the assets and funds of the Corporation legally available for distribution to stockholders by reason of their ownership of stock of the Corporation shall be insufficient to permit the payment to such holders of the Series G Preferred Stock, holders of the Series F Preferred Stock, holders of the Series E Preferred Stock, holders of the Series D Preferred Stock, holders of the Series C Preferred Stock, holders of the Series B Preferred Stock, holders of the Series A-l Preferred Stock, holders of the Series A-2 Preferred Stock and holders of the Series A-3 Preferred Stock of the full aforementioned preferential amounts, then the entire assets and funds of the Corporation legally available for distribution to stockholders by reason of their ownership of stock of the Corporation shall be distributed on a pari passu basis among the holders of the Preferred Stock in proportion to the aggregate preferential amount each such holder is otherwise entitled to receive.

(b) After payment has been made to the holders of the Preferred Stock of the full amounts to which they shall be entitled as provided in subsection (a) above, if assets available for distribution remain in the Corporation, all remaining assets of the Corporation shall be distributed among all holders of Common Stock pro rata based on the number of shares of Common Stock outstanding held by each such holder.

(c) Unless otherwise agreed to by the holders of (i) at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (ii) at least sixty-two percent (62)% of the then outstanding shares of Series F Preferred Stock and Series G Preferred Stock, voting together as a single class on an as-converted basis, a liquidation, dissolution or winding up of the Corporation under this Article 5 Section 2 shall be deemed to be occasioned by, and to include, in addition to a voluntary or involuntary liquidation, dissolution or winding up, (i) a merger, consolidation, share exchange, recapitalization or reorganization of the Corporation with or into any other corporation, corporations or other entity (excluding any merger effected exclusively for the purpose of changing the domicile of the corporation); (ii) any other transaction or series of related transactions, in which the stockholders of the corporation immediately prior to such reorganization, merger or consolidation own, by virtue of their shares held prior to such transaction, less than fifty percent (50%) of the voting power of the surviving entity; or (iii) a sale, conveyance or other disposition of all or substantially all of the assets of the Corporation, including pursuant to the grant of an exclusive license of all or substantially all of the Corporation's products, assets or intellectual property, in one transaction or a series of transactions (any such transaction, a "***Liquidation Event***"); provided, that this provision shall not apply if the holders of voting securities of the Corporation immediately prior to such Liquidation Event beneficially own, directly or indirectly, a majority of the combined voting power of the surviving entity resulting from such Liquidation Event in approximately the same relative percentages before such Liquidation Event as after.

(d) Notwithstanding this Article 5 Section 2, each holder of Preferred Stock shall have the right to elect the benefits of the provisions of Article 5 Section 3(a) below or other applicable conversion provisions in lieu of receiving payment on any Liquidation Event of the Corporation, either voluntary or involuntary, pursuant to this Article 5 Section 2.

(e) In the event of a Liquidation Event referred to in Article 5 Section 2(c)(3), if the Corporation does not effect a dissolution of the Corporation under the Delaware General Corporation Law within 90 days after such Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the holders of at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock (voting together as a single class on an as-converted basis) so request in a written instrument delivered to the Corporation not later than 120 days after such Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "***Available Proceeds***"), on the 150th day after such Liquidation Event (the "***Redemption Date***"), to redeem all outstanding shares of Preferred Stock at a price per share equal to the amounts as described in Article 5 Section 2(a). Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall ratably redeem each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders.

On or before the Redemption Date, each holder of shares of Preferred Stock to be redeemed on the Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Article 5 Section 3, shall surrender the certificate or certificates representing such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Corporation's notice, and thereupon the liquidation amount for such shares as described in Article 5 Section 2(a) shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof.

If on the Redemption Date the redemption price payable upon redemption of the shares of Preferred Stock to be redeemed on the Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the liquidation amount without interest upon surrender of their certificate or certificates therefor.

Prior to the distribution or redemption provided for in this Article 5 Section 2(e), the Corporation shall not expend or dissipate the consideration received for such Liquidation Event, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business.

(f) In any of such events, if the consideration received by the Corporation or its stockholders is other than cash or securities, its value will be deemed its fair market value, as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the twenty (20) day period ending three (3) days prior to the closing of the transaction in subsection 2(c) above;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty (20) day period ending three (3) days prior to the closing of the transaction in subsection 2(c) above; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in subsection (i)(1), (2) or (3) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(iii) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Event shall, with the appropriate approval of the definitive agreements governing such Liquidation Event by the stockholders under the General Corporation Law and Section 6 of this Article V, be superseded by the determination of such value set forth in the definitive agreements governing such Liquidation Event.

(g) In the event the requirements of this Section 2 are not complied with, the Corporation shall forthwith either cause the closing of the Liquidation Event to be postponed until the requirements of this Section 2 have been complied with, or cancel such Liquidation Event, in which event the rights, preferences, privileges and restrictions of the holders of Preferred Stock shall revert to and be the same as such rights, preferences, privileges and restrictions existing immediately prior to the date of the first notice referred to in Section 3(g).

Section 3. ***Conversion***. The holders of Preferred Stock shall have conversion rights as follows (the "***Conversion Rights***"):

(a) *Right to Convert.* Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable original issue price of such shares of Preferred Stock (the "***Original Issue Price***") by the applicable conversion price for such series of Preferred Stock that is in effect at the time of conversion (the "***Conversion Price***" and, such resulting ratio, the "***Conversion Rate***"). The Original Issue Price per share of Series G Preferred Stock is $3.2977 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series F Preferred Stock is $2.4286 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series E Preferred Stock is $1.2394 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series D Preferred Stock is $0.3594 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series C Preferred Stock is $0.3594 (as appropriately adjusted for any recapitalizations, stock combinations, stock

dividends, stock splits and the like). The Original Issue Price per share of Series B Preferred Stock is $0.22013 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series A-1 Preferred Stock is $0.1142 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series A-2 Preferred Stock is $0.0971 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The Original Issue Price per share of Series A-3 Preferred Stock is $0.02855 (as appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like). The initial Conversion Price per share of Series G Preferred Stock shall be $3.2977, the initial Conversion Price per share of Series F Preferred Stock shall be $2.4286, the initial Conversion Price per share of Series E Preferred Stock shall be $1.2394, the initial Conversion Price per share of Series D Preferred Stock shall be $0.3594, the initial Conversion Price per share of Series C Preferred Stock shall be $0.3594, the initial Conversion Price per share of Series B Preferred Stock shall be $0.22013, the initial Conversion Price per share of Series A-l Preferred Stock shall be $0.1142, the initial Conversion Price per share of the Series A-2 Preferred Stock shall be $0.0971, and the initial Conversion Price per share of the Series A-3 Preferred Stock shall be $0.02855, in each case subject to adjustment from time to time as provided below.

(b) *Automatic Conversion.* Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective applicable Conversion Rate for each series of Preferred Stock immediately upon the earlier of: (i) the effectiveness of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "***Securities Act***"), covering the offer and sale of Common Stock with aggregate proceeds to the Corporation of not less than $50,000,000 (net of underwriting discounts and commissions) that results in the listing of such Common Stock on the NASDAQ Stock Market or New York Stock Exchange (a "***Qualified IPO***"); or (ii) the date specified pursuant to an election to convert all shares of Preferred Stock into Common Stock by the holders of (A) at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (B) at least sixty-two percent (62)% of the then outstanding shares of Series F Preferred Stock and Series G Preferred Stock, voting together as a single class on an as-converted basis, in each case, at a duly held meeting or by written consent or other agreement.

(c) *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional share to which a holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of the Common Stock as determined by the Board of Directors in good faith. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, the holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice to the Corporation at such office that the holder elects to convert the same. Such notice shall also state whether the holder elects, subject to Article 5 Section 1 hereof, to receive declared but unpaid dividends on the Preferred Stock proposed to be converted in cash, or to convert such dividends into shares of Common Stock at their fair market value as determined by the Board of Directors. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into a fractional share of Common Stock, and, subject to Article 5 Section 1 hereof, any declared but unpaid dividends on the converted Preferred Stock which the holder elected to receive in cash. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of

such shares of Common Stock on such date; provided, however, that in the event of an automatic conversion pursuant to Article 5 Section 3(b) above, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such Preferred Stock and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; and provided, further, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation or its transfer agent as provided above, or such holder of Preferred Stock notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder of Preferred Stock shall be entitled and a check payable to such holder of Preferred Stock in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock and any declared but unpaid dividends on the converted Preferred Stock which the holder elected to receive in cash.

If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act in accordance with Article 5 Section 3(b)(i) above, the conversion may, at the option of any holder tendering shares of Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

If the conversion is in connection with a Liquidation Event of the Corporation described in Article 5 Section 2 above, the conversion may, at the option of any holder tendering shares of Preferred Stock for conversion, be conditioned upon the consummation of the Liquidation Event, in which event the person(s) entitled to receive the Common Stock upon conversion of Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the consummation of the Liquidation Event.

(d) *Adjustments to Conversion Price for Diluting Issues.*

(i) Special Definitions. For purposes of this Article 5 Section 3, the following definitions shall apply:

(1) "***Options***" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(2) "***Convertible Securities***" shall mean any evidences of indebtedness, shares (other than Common Stock) or other securities of the Corporation convertible into or exchangeable directly or indirectly for Common Stock.

(3) "***Filing Date***" shall mean the date on which this Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

(4) "***Additional Shares of Common Stock***" shall mean all shares of Common Stock issued (or, pursuant to Article 5 Section 3(d)(iii), deemed to be issued) by the Corporation after the Filing Date, other than:

(i) shares of Common Stock issued upon the conversion of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock;

(ii) up to 66,156,658 shares of Common Stock or Options, issued or granted, as approved by the Board of Directors, to employees, officers, directors and consultants of the Corporation pursuant to any one or more employee stock plans or agreements approved by the Board of Directors (including any Options outstanding as of the Filing Date and any shares that were issued prior to the Filing Date upon exercise of Options under the Corporation's stock option plan);

(iii) shares of Common Stock issued or issuable to financial institutions or lessors in connection with real estate leases, commercial credit arrangements, equipment financings or similar transactions, including, but not limited to, equipment leases or bank lines of credit, in each case approved by the Board of Directors;

(iv) securities issued as a dividend or distribution on, or in connection with a split of or recapitalization of, any of the capital stock of the Corporation;

(v) securities issued by the Corporation pursuant to a strategic partnership, joint venture or other similar arrangement unanimously approved by the Board of Directors where the primary purpose of the arrangement is not to raise capital for the Corporation or its affiliates;

(vi) securities issued pursuant to a Qualified IPO;

(vii) shares of Common Stock issued by the Corporation pursuant to the acquisition of another corporation or other entity by the Corporation by merger, purchase of all or substantially all of the capital stock or assets, or other reorganization unanimously approved by the Board of Directors;

(viii) securities issued or issuable in respect of any shares, Options, or Convertible Securities issued as a result of the application of the anti-dilution provisions set forth in this Article 5 Section 3(d) or as a result of the operation of anti-dilution provisions that are contained in the original terms of such securities and that provide for anti-dilution adjustments under substantially the same circumstances and according to the same adjustment formula as specified in this Article 5, Section 3(d);

(ix) shares of Common Stock issued upon conversion or exercise of Options or Convertible Securities (or upon conversion of securities issuable upon exercise or conversion of such Options or Convertible Securities) outstanding on the Filing Date; or

(x) any other securities issued or issuable upon conversion and/or exercise of any securities issued upon the written consent of the holders of (A) at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (B) at least sixty-two percent (62)% of the then outstanding shares of Series F Preferred Stock and Series G Preferred Stock, voting together as a single class on an as-converted basis.

(ii) No Adjustment of Conversion Price. No adjustment in the applicable Conversion Price of a particular share of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect on the date of, and immediately prior to such issue, for such share of Preferred Stock.

(iii) Deemed Issue of Additional Shares of Common Stock.

(1) Options and Convertible Securities. Except as provided in Article 5 Section 3(d)(i)(4) above, in the event the Corporation at any time or from time to time after the Filing Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Article 5 Section 3(d)(v) hereof) of such Additional Shares of Common Stock would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustment in a Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase (or decrease) in the consideration payable to the Corporation, or decrease (or increase) in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, each applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, each applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities, and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(D) no readjustment pursuant to clause (B) or (C) above shall have the effect of increasing the Conversion Price for any series of Preferred Stock to an amount which exceeds the lower of (i) the Conversion Price for that series on the original adjustment date, or (ii) the Conversion Price for that series that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

(2) Stock Dividends. Except as provided in Article 5 Section 3(d)(i)(4) above, in the event the Corporation, at any time or from time to time after the date of filing hereof, shall declare or pay any dividend on the Common Stock payable in Common Stock, then Additional Shares of Common Stock shall be deemed to have been issued immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Article 5 Section 3(d)(iii)) without consideration or for a consideration per share less than the Conversion Price with respect to any series of Preferred Stock in effect on the date of and immediately prior to such issue, then and in such event, such Conversion Price for such series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest $0.00001) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued; and provided, further, that, for the purposes of this Article 5 Section 3(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding Preferred Stock and all outstanding Convertible Securities, and upon exercise of all outstanding Options bearing an exercise price which is lower than the price at which the Additional Shares of Common Stock were issued (or deemed to be issued), shall be deemed to be outstanding.

(v) Determination of Consideration. For purposes of this Article 5 Section 3(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issuance, as determined by the Board of Directors in the good faith exercise of its reasonable business judgment; and

(C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Article 5 Section 3(d)(iii)(1), relating to Options and Convertible Securities, shall be determined by dividing

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(3) Stock Dividends. Any Additional Shares of Common Stock deemed to have been issued relating to stock dividends shall be deemed to have been issued for no consideration.

(vi) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that (a) the Corporation at any time or from time to time on or after the Filing Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, (b) the Corporation at any time or from time to time on or after the Filing Date shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or (c) the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(vii) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Article 5 Section 3(d)(vi) above or a merger or other reorganization referred to in Article 5 Section 2 above), the Conversion Prices then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the various series of Preferred Stock shall be convertible into a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

(viii) Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time or from time to time on or after the Filing Date, there is a Capital Reorganization (other than a Liquidation Event of the Corporation as defined in Article 5 Section 2 or as a recapitalization, subdivision,

combination, reclassification, exchange or substitution of shares provided for elsewhere in this Article 5 Section 3), provision shall be made as a part of such Capital Reorganization to the effect that the holders of the various series of Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such Capital Reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 5 Section 3 with respect to the rights of the holders of Preferred Stock after the Capital Reorganization to the end that the provisions of this Article 5 Section 3 (including adjustment of the Conversion Prices then in effect and the number of shares issuable upon conversion of the Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(1) For purposes of this Article 5 Section 3(d)(viii), a "***Capital Reorganization***" shall mean a consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock) or a capital reorganization of the Common Stock (other than as a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Article 5 Section 3).

(2) Notwithstanding the foregoing, in the event of any Capital Reorganization that constitutes a Liquidation Event of the Corporation (as defined in Article 5 Section 2 above), the holders of (i) at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (ii) at least sixty-two percent (62)% of the then outstanding shares of Series F Preferred Stock and Series G Preferred Stock, voting together as a single class on an as-converted basis, shall be entitled to elect, by providing written notice of such election to the Corporation within twenty (20) days of receiving notice of such Capital Reorganization, to treat such transaction as a Capital Reorganization and not as a Liquidation Event of the Corporation, in which event the provisions of this Article 5 Section 3(d)(viii) shall apply. Such election shall apply to all outstanding Preferred Stock. In the absence of such an election, a Capital Reorganization that constitutes a Liquidation Event of the Corporation shall be treated as a Liquidation Event of the Corporation and not as a Capital Reorganization.

(ix) Adjustments for Other Distributions. In the event the Corporation at any time or from time to time makes or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution payable in securities of the Corporation other than shares of Common Stock and other than as otherwise adjusted in this Article 5 Section 3, then and in each such event provision shall be made so that the holders of Preferred Stock shall receive upon such distribution the amount of securities of the Corporation which they would have received had their Preferred Stock converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by than as aforesaid during such period, subject to all other adjustments called for during such period under this Article 5 Section 3 with respect to the rights of the holders of the Preferred Stock.

(e) *No Impairment*. The Corporation will not, without the appropriate vote of the stockholders under the Delaware General Corporation Law or Section 6 of this Article V, by amendment of its Amended and Restated Certificate of Incorporation or through any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation.

(f) *Certificate as to Adjustments*. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article 5 Section 3, the Corporation shall promptly compute such adjustment or readjustment in accordance with the terms hereof. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (i) the particulars of any adjustment to the Conversion Price since issuance of the Preferred Stock, (ii) the Conversion Price for such series of Preferred Stock currently in effect and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(g) *Notices of Record Date.* In the event that the Corporation shall propose at any time:

(i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to effect any reclassification or recapitalization of its Common Stock shares outstanding involving a change in the Common Stock shares; or

(iii) to undergo a Liquidation Event;

then, in connection with each such event, the Corporation shall send to the holders of the Preferred Stock:

(1) at least ten (10) days' prior written notice of the date on which a record shall be taken for such dividend or distribution (and specifying the date on which the holders of Common Stock shall be entitled thereto) in respect of the matters referred to in (i) above or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above; and

(2) in the case of the matters referred to in (iii), above, at least ten (10) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

(3) Each such written notice shall be delivered personally, given by facsimile or given by first class mail, postage prepaid, addressed to the holders of Preferred Stock shares at the address for each such holder as shown on the books of the Corporation.

(h) *Reservation of Stock Issuable Upon Conversion.* The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, in addition to such other remedies as shall be available to the holders of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment hereunder.

(i) *Waiver of Adjustment to Conversion Price.* Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the

consent or vote of the holders of (A) at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, and (B) at least sixty-two percent (62)% of the then outstanding shares of Series F Preferred Stock and Series G Preferred Stock, voting together as a single class on an as-converted basis. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

Section 4. ***Voting Rights and Directors***.

(a) *Vote Other than for Directors.* Except as otherwise required by law and as provided in the next sentence and in subsection (b) below with respect to the election of directors and in Article 5 Section 6 below with respect to the Protective Provisions, the holders of Preferred Stock and the holders of Common Stock shall be entitled to notice of any stockholders' meeting and will vote together and not as separate classes upon any matter submitted to the stockholders for a vote, as follows: (i) each holder of Preferred Stock shall have one vote for each full share of Common Stock into which such holder's shares of Preferred Stock would be convertible on the record date for the vote, and (ii) the holders of Common Stock shall have one vote per share of Common Stock. Notwithstanding the provisions of Section 242(b)(2) of the Delaware General Corporation Law, the number of authorized shares of Common Stock may be increased or decreased by the affirmative vote of the holders of a majority of Preferred Stock and Common Stock, voting together as one class and each holder of Preferred Stock having that number of votes per share as is equal to the number of shares of Common Stock into which each such share of Preferred Stock held by such holder could be converted pursuant to Article 5 Section 3 on the date for determination of stockholders entitled to vote on such increase or decrease. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) *Election of Directors.*

(i) For so long as at least 2,700,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series A Preferred Stock are outstanding, the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting as a single class, not as a separate series and on an as-converted basis, shall be entitled to elect one (1) member to the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors.

(ii) For so long as at least 3,500,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series D Preferred Stock are outstanding, the holders of a majority of the then outstanding shares of Series D Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors.

(iii) For so long as at least 3,500,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series E Preferred Stock are outstanding, the holders of a majority of the then outstanding shares of Series E Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors.

(iv) The remaining members of the Board of Directors shall be elected by the holders of the Common Stock and the Preferred Stock voting together as a single class on an as-converted basis.

(c) *Vacancies; Removal.* Any vacancy in the Board of Directors occurring because of the death, resignation or removal of a director elected in accordance with Article 5 Section 4(b) above shall be filled by the vote or written consent of such percentage of the voting group which elected such director as specified in Article 5 Section 4(b) above, or, in the absence of such action by such holders, by unanimous action of the remaining director or directors elected by the holders of such class. A director may be removed from the Board of Directors with or without cause by the vote or consent of the voting group entitled to elect such director in accordance with the General Corporation Law of the State of Delaware.

Section 5. ***Redemption***. The holders of Preferred Stock shall have redemption rights as follows:

(a) *Redemption Date and Price.* At any time after December 15, 2021, but on a date (the "***Redemption Date***") no later than 30 days after receipt by the Corporation of a written request (a "***Redemption Election***") from the holders of not less than sixty-seven percent (67%) of the then outstanding Preferred Stock that all of the shares of Preferred Stock be redeemed, the Corporation shall, to the extent it may lawfully do so, redeem all of the outstanding shares of Preferred Stock specified in the Redemption Election in accordance with the procedures set forth in this Section 5 by paying in cash therefor a sum per share with respect to each share of Preferred Stock equal to the greater of (i) the applicable Original Issue Price of such share of Preferred Stock (as adjusted for stock splits, stock dividends, reclassifications or the like and pursuant to Article 5, Section 3) plus all declared but unpaid dividends on such share or (ii) the fair market value of such share of Preferred Stock as determined by an appraisal performed by an independent third party appraiser approved by the holders of at least sixty-seven percent (67%) of the then outstanding shares of Preferred Stock and the Corporation, without deduction from such value based upon such share being a minority interest in the Corporation nor based upon the lack of marketability thereof (the "***Redemption Price***").

(b) *Procedure*. No later than 15 days following its receipt of the Redemption Election, the Corporation shall mail a written notice, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of Preferred Stock at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the applicable Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, such holder's certificate or certificates representing the shares to be redeemed (the "***Redemption Notice***"). If the Corporation receives, no later than 20 days after delivery of the Redemption Notice to a holder of Preferred Stock, written notice from such holder that such holder elects to be excluded from the redemption provided in this Section 5 (an "***Exclusion Notice***"), then the shares of Preferred Stock registered on the books of the Corporation in the name of such holder at the time of this corporation's receipt of such Exclusion Notice shall thereafter be "***Excluded Shares***". Excluded Shares shall not be redeemed or redeemable pursuant to this Section 5, whether on such Redemption Date or thereafter; provided, however that any shares elected by a holder to be Excluded Shares with respect to any Redemption Notice shall not be excluded as Excluded Shares with respect to any subsequent Redemption Notice unless the holder of such shares delivers to the corporation a new Exclusion Notice in response to such subsequent Redemption Notice in accordance with the provisions of this Section. Except as provided in Section 5(c) below, on or after the Redemption Date, each holder of Preferred Stock to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), in the manner and at the place designated in the Redemption Notice, and thereupon the

Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) *Effect of Redemption; Insufficient Funds*. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of shares of Preferred Stock, other than Excluded Shares, designated for redemption in the Redemption Notice (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Preferred Stock on the Redemption Date are insufficient to redeem the total number of shares of Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon the total Redemption Price applicable to each such holder's shares of Preferred Stock. The shares of Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, including, but not limited to, the conversion rights set forth herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on the Redemption Date but which it has not redeemed.

Section 6. ***Protective Provisions***. In addition to any other rights provided by law, the Corporation shall not (whether by merger, consolidation, amendment or otherwise), without first obtaining the affirmative vote or written consent of the holders of not less than sixty-seven percent (67%) of the outstanding shares of Preferred Stock (voting together as a single class on an as-converted basis):

(a) create (by way of merger, consolidation, substitution, reclassification, amendment, designation, or otherwise) or issue any new class or series of shares having rights, preferences or privileges senior to or on a parity with the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and/or the Series G Preferred Stock;

(b) pay, declare or set aside for payment a dividend on any shares of capital stock of the Corporation;

(c) redeem, repurchase or otherwise acquire for value any shares of Preferred Stock or Common Stock (excluding repurchases of Common Stock from employees upon termination of employment at the lower of fair market value or the original purchase price thereof);

(d) increase or decrease the number of authorized shares of Common Stock or any series of Preferred Stock;

(e) amend, repeal, waive or change any provision of, or add any provision to, this Amended and Restated Certificate of Incorporation or the Corporation's Bylaws (by merger, consolidation, reclassification, amendment or otherwise);

(f) undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation);

(g) acquire all or substantially all of the properties, assets or stock of any other corporation or entity;

(h) create a new plan or arrangement for the grant of stock options or other equity compensation awards or increase the number of shares of Common Stock reserved for issuance under the Corporation's Amended and Restated 2004 Equity Incentive Plan (the "***Stock Plan***") or any of the Corporation's other stock option, restricted stock or equity incentive plans, or issue stock options or other equity compensation awards in an amount that, in the aggregate, exceeds the number of shares reserved for issuance under the Stock Plan and such other plans;

(i) authorize the Corporation to enter into or amend any material contract with any officer, director, founder, investor or other affiliate of the Corporation (except for contracts unanimously approved by the Board of Directors);

(j) incur indebtedness, in a single or related series of transactions, in excess of $250,000 (except for trade debt incurred in the ordinary course of business) not approved by the Board of Directors;

(k) allow any subsidiary of the Corporation to take any of the actions described in this Article 5 Section 6;

(l) amend this Article 5 Section 6; or

(m) promise, agree, commit or undertake to do any of the foregoing.

Section 7. ***Additional Protective Provisions.***

(a) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series G Preferred Stock remain outstanding, the Corporation shall not (whether by merger, consolidation, amendment or otherwise), without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series G Preferred Stock, voting as a separate class:

(i) alter or change the rights, preferences or privileges of the Series G Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series G Preferred Stock;

(ii) increase or decrease the authorized shares of Series G Preferred Stock;

(iii) redeem or repurchase any Series G Preferred Stock (other than in accordance with this Amended and Restated Certificate of Incorporation);

(iv) redeem, repurchase, pay or declare dividends on or make other distributions with respect to shares of capital stock of the Corporation (other than redemptions in accordance with this Amended and Restated Certificate of Incorporation, and excluding repurchases of Common Stock from employees upon termination of employment at the lower of fair market value or the original purchase price thereof);

(v) amend the anti-dilution adjustment provisions as they relate to the Series G Preferred Stock;

(vi) reclassify, alter or amend any existing security of the Corporation that is pari passu or junior to the Series G Preferred Stock in respect of distribution of assets on liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Series G Preferred Stock (or pari passu to the Series G Preferred Stock in the case of junior equity securities); or

(vii) undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(b) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series F Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series F Preferred Stock, voting as a separate class, alter or change the rights, preferences or privileges of the Series F Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series F Preferred Stock, to increase or decrease the authorized shares of Series F Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(c) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series E Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series E Preferred Stock, voting as a separate class, alter or change the rights, preferences or privileges of the Series E Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series E Preferred Stock, to increase or decrease the authorized shares of Series E Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(d) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series D Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series D Preferred Stock, voting as a separate class, alter or change the rights, preferences or privileges of the Series D Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series D Preferred Stock, to increase or decrease the authorized shares of Series D Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(e) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series C Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series C Preferred Stock, voting as a separate class, alter or change the rights, preferences or privileges of the Series C Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series C Preferred Stock, to increase or decrease the authorized shares of Series C Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(f) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series B Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of at least sixty percent (60%) of the then outstanding shares of Series B Preferred Stock, voting as a separate class, alter or change the rights, preferences or privileges of the Series B Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series B Preferred Stock, to increase or decrease the authorized shares of Series B Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(g) In addition to any other rights provided by law or pursuant to Article 5, Section 6 above, as long as any shares of Series A Preferred Stock remain outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of then outstanding shares of Series A Preferred Stock, voting as a single class and not as a separate Series, alter or change the rights, preferences or privileges of the Series A Preferred Stock, by way of merger, consolidation, substitution, reclassification, amendment, or otherwise, so as to adversely affect the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such shares of Series A Preferred Stock, to increase or decrease the authorized shares of Series A Preferred Stock or to undertake a Liquidation Event (except transactions solely for the purpose of changing the Corporation's state of incorporation), unless the assets or funds of the Corporation to be distributed to the holders of Preferred Stock and/or Common Stock by reason of their ownership of such stock is to be allocated, paid, distributed or otherwise transferred in accordance with this Amended and Restated Certificate of Incorporation.

(h) Without limiting the generality of the foregoing, for purposes of Sections 7(a), (b), (c), (d), (e), (f) and (g) above, the authorization in compliance with Section 6(a) above of any shares of capital stock with preference or priority over, or on a parity with, any series of Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation shall not be deemed to have adversely affected the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, such series of Preferred Stock.

Section 8. ***Status of Converted Stock***. In the event any shares of Preferred Stock shall be converted pursuant to Article 5 Section 3 hereof, the shares so converted shall automatically be canceled and shall not be issuable by the Corporation, and this Amended and

Restated Certificate of Incorporation shall be deemed to be amended to effect the corresponding reduction in the Corporation's authorized Preferred Stock.

Section 9. ***No Reissuance of Preferred Stock***. No share or shares of Preferred Stock acquired by the Corporation by reason of purchase, conversion or otherwise may be reissued, and all such shares shall be canceled, retired and eliminated from the shares of Preferred Stock that the Corporation is authorized to issue.

Section 10. ***Residual Rights***. All rights accruing to the outstanding shares of equity securities of the Corporation not expressly provided for to the contrary herein shall be vested in the Common Stock.

ARTICLE 6
DURATION

The Corporation shall have perpetual existence.

ARTICLE 7
BYLAWS

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

ARTICLE 8
DIRECTORS

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, the number of directors of this corporation shall be fixed from time to time by the Bylaws or by amendment thereof duly adopted by the Board of Directors or by the stockholders.

ARTICLE 9
MEETINGS OF STOCKHOLDERS

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE 10
LIMITATION OF DIRECTOR LIABILITY AND INDEMNIFICATION

Section 1. ***Limitation of Liability***. A director of the Corporation shall, to the fullest extent permitted by the Delaware General Corporation Law as it now exists or as it may hereafter be amended, not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended, after approval by the stockholders of this Article, to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Section 2. ***Indemnification***. The Corporation shall indemnify to the fullest extent permitted by applicable law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation. The Corporation will advance expenses (including attorneys' fees) incurred by a director or officer in advance of the final disposition of such action, suit or proceeding upon the receipt of an undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined that such director or officer is not entitled to indemnification.

Section 3. ***Amendment***. Any amendment, repeal or modification of this Article 10 or the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article 10 by the stockholders of the Corporation shall not apply to or adversely affect any right or protection or increase the liability of a director of the Corporation existing at the time of such amendment, repeal, modification or adoption.

ARTICLE 11
MISCELLANEOUS

As used in this Article 11, the term "***Fund***" refers to a holder of capital stock of the Corporation that is an institutional investor in the business of investing in private companies, including companies other than the Corporation. If a director of the Corporation is also a partner, member, stockholder or employee of a Fund or an entity that manages a Fund (an "***Investor***"), and in his or her capacity as an Investor, and not as a director, acquires knowledge of a potential transaction or matter that may be a corporate opportunity both for the Fund and the Corporation (a "***Corporate Opportunity***"), then: (i) such Corporate Opportunity shall belong to the Fund and not to the Corporation; (ii) the Corporation, to the extent allowed by law, waives any claim that the Investor or the Fund should have presented the Corporate Opportunity to the Corporation or any of its affiliates; and (iii) such director shall, to the extent permitted by law, shall have no fiduciary or other duty or obligation to the Corporation and its stockholders with respect to such Corporate Opportunity, provided, such director acts in good faith.

ARTICLE 12
AMENDMENT TO CERTIFICATE OF INCORPORATION

Subject to Article 5, Sections 6 and 7 hereof, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

CERTIFICATE OF AMENDMENT

OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

REDFIN CORPORATION

(a Delaware corporation)

Redfin Corporation, a Delaware corporation (the "***Corporation***"), does hereby certify that the following amendments to the Corporation's Amended and Restated Certificate of Incorporation, filed with the Delaware Secretary of State on December 15, 2014 (the "***Current Certificate***"), have been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law, with the approval of such amendments by the Corporation's stockholders having been given by written consent without a meeting in accordance with Sections 228(d) and 242 of the Delaware General Corporation Law:

1. Section 1 of Article 4 of the Current Certificate is amended to read in its entirety as follows:

> "Section 1. ***Authorized Capital***. The total number of shares which the Corporation is authorized to issue is 456,347,752 consisting of 290,081,638 shares of common stock, $.001 par value per share (the "***Common Stock***"), and 166,266,114 shares of preferred stock, $.001 par value per share, of which 4,378,284 shares are designated "***Series A-1 Preferred Stock***," 109,552 shares are designated "***Series A-2 Preferred Stock***," 9,099,610 shares are designated "***Series A-3 Preferred Stock***," 36,338,577 shares are designated "Series B Preferred Stock" (the "***Series B Preferred Stock***"), 33,388,982 shares are designated "Series C Preferred Stock" (the "***Series C Preferred Stock***"), 28,574,005 shares are designated "Series D Preferred Stock" (the "***Series D Preferred Stock***"), 12,041,148 shares are designated "Series E Preferred Stock" (the "***Series E Preferred Stock***"), 20,808,580 shares are designated "Series F Preferred Stock" (the "***Series F Preferred Stock***") and 21,527,376 shares are designated "Series G Preferred Stock" (the "***Series G Preferred Stock***"). The Series A-1 Preferred Stock, the Series A-2 Preferred Stock and the Series A-3 Preferred Stock are referred to herein collectively as the "***Series A Preferred Stock***," and the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are referred to herein collectively as the "***Preferred Stock***." The rights, preferences, and the other terms of the Preferred Stock are set forth in Article 5. The Common Stock is subject to the rights and preferences of the Preferred Stock as set forth below."

2. Section 3(d)(i)(4)(ii) of Article 5 of the Current Certificate is amended to read in its entirety as follows:

> "(ii) up to 89,651,602 shares of Common Stock or Options, issued or granted, as approved by the Board of Directors, to employees, officers, directors and consultants of the Corporation pursuant to any one or more employee stock plans or agreements approved by the Board of Directors (including any Options outstanding as of the Filing Date and any shares that were issued prior to the Filing Date upon exercise of Options under the Corporation's stock option plan);"

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, said Corporation has caused this Certificate of Amendment to be signed by its duly authorized officer this 11th day of May, 2016 and the foregoing facts stated herein are true and correct.

REDFIN CORPORATION

By: /s/ GLENN KELMAN
Name: Glenn Kelman
Title: Chief Executive Officer

Exhibit 3.3

AMENDED AND RESTATED

BYLAWS

OF

REDFIN CORPORATION

ARTICLE I
Stockholders

Section 1. *Annual Meeting*. The annual meeting of the stockholders of this Corporation shall be held on the date and at the time each year as determined by the Board of Directors. The failure to hold an annual meeting at the time stated in these Bylaws does not affect the validity of any corporate action.

Section 2. *Special Meetings*. Except as otherwise provided by law, special meetings of stockholders of this Corporation shall be held whenever called by any officer or by the Board of Directors or one or more stockholders who hold at least ten percent (10%) of all shares entitled to vote on any issue proposed to be considered at the meeting.

Section 3. *Place of Meetings*. Meetings of stockholders shall be held at such place within or without the State of Delaware as determined by the Board of Directors, pursuant to proper notice.

Section 4. *Notice*. Written notice of each stockholders' meeting stating the date, time, and place and, in case of a special meeting, the purpose(s) for which such meeting is called, shall be given by the corporation not less than ten (10) (unless a greater period of notice is required by law in a particular case) nor more than sixty (60) days prior to the date of the meeting, to each stockholder of record entitled to vote at such meeting unless required by law to send notice to all stockholders (regardless of whether or not such stockholders are entitled to vote), to the stockholder's address as it appears on the current record of stockholders of this Corporation.

Section 5. *Waiver of Notice*. A stockholder may waive any notice required to be given by these Bylaws, or the certificate of incorporation of this Corporation, or any of the corporate laws of the State of Delaware, before or after the meeting that is the subject of such notice. A valid waiver is created by any of the following three methods: (a) in writing or by electronic transmission, signed by the stockholder entitled to the notice and delivered to the Corporation for inclusion in its corporate records; (b) attendance at the meeting, unless the stockholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; or (c) failure to object at the time of presentation of a matter not within the purpose or purposes described in the meeting notice.

Section 6. *Quorum of Stockholders.* At any meeting of the stockholders, a majority in interest of all the shares entitled to vote on a matter, represented by stockholders of record in person or by proxy, shall constitute a quorum of that voting group for action on that matter.

Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. At such reconvened meeting, any business may be transacted that might have been transacted at the meeting as originally notified.

If a quorum exists, action on a matter is approved by a voting group if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless the question is one upon which by express provision of law or of the certificate of incorporation or of these Bylaws a different vote is required.

Section 7. *Proxies*. Stockholders of record may vote at any meeting either in person or by proxy executed in writing. A proxy is effective when received by the person authorized to tabulate votes for the Corporation. No such proxy shall be voted or acted upon after 3 years from its date, unless the proxy provides for a longer period.

Section 8. *Voting*. Subject to the provisions of the laws of the State of Delaware, and unless otherwise provided in the certificate of incorporation, each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a stockholders' meeting.

Section 9. *Adjournment*. A majority of the shares represented at the meeting, even if less than a quorum, may adjourn the meeting from time to time. At such reconvened meeting at which a quorum is present any business may be transacted at the meeting as originally notified. If a meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if a new date, time, or place is announced at the meeting before adjournment; however, if a new record date for the adjourned meeting is or must be fixed in accordance with the corporate laws of the State of Delaware, notice of the adjourned meeting must be given to persons who are stockholders as of the new record date.

ARTICLE II
Board of Directors

Section 1. *Powers of Directors*. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as otherwise provided by its certificate of incorporation.

Section 2. *Number and Qualifications*. The business affairs and property of this Corporation shall be managed by a Board of not less than one (1) director nor more than nine (9) directors, the exact number to be set forth in the Corporation's Certificate of Incorporation or as otherwise determined by resolution of the Board of Directors. The number of directors may at any time be increased or decreased by the stockholders or by the Board of Directors at any regular or special meeting. Directors need not be stockholders of this Corporation or residents of the State of Delaware, but must have reached the age of majority.

Section 3. *Election - Term of Office*. The terms of the initial directors expire at the first stockholders' meeting at which directors are elected. The directors shall be elected by the stockholders at each annual stockholders' meeting to hold office until the next annual meeting of

the stockholders and until their respective successors are elected and qualified. If, for any reason, the directors shall not have been elected at any annual meeting, they may be elected at a special meeting of stockholders called for that purpose in the manner provided by these Bylaws.

Section 4. *Regular Meetings*. Regular meetings of the Board of Directors shall be held at such places, and at such times as the Board by vote may determine, and, if so determined, no notice thereof need be given.

Section 5. *Special Meetings*. Special meetings of the Board of Directors may be held at any time or place whenever called by any officer or one (1) or more directors, notice thereof being given to each director by the officer calling or by the officer directed to call the meeting.

Section 6. *Notice*. No notice is required for regular meetings of the Board of Directors. Notice of special meetings of the Board of Directors, stating the date, time, and place thereof, shall be given at least two (2) days prior to the date of the meeting. The purpose of the meeting need not be given in the notice. Such notice may be oral or written.

Section 7. *Waiver of Notice*. A director may waive notice of a special meeting of the Board either before or after the meeting, and such waiver shall be deemed to be the equivalent of giving notice. The waiver must be in writing, signed by the director and entitled to the notice and delivered to the Corporation for inclusion in its corporate records. Attendance of a director at a meeting shall constitute waiver of notice of that meeting unless said director attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 8. *Quorum of Directors.* A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. When a quorum is present at any meeting, a majority of the members present thereat shall decide any question brought before such meeting, except as otherwise provided by the certificate of incorporation or by these Bylaws.

Section 9. *Adjournment*. A majority of the directors present, even if less than a quorum, may adjourn a meeting and continue it to a later time. Notice of the adjourned meeting or of the business to be transacted thereat, other than by announcement, shall not be necessary. At any adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting as originally called.

Section 10. *Resignation and Removal.* Any director of this Corporation may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors, its Chairman, the President, or Secretary of this Corporation. Any such resignation is effective when the notice is delivered, unless the notice specifies a later effective date. Subject to the Corporation's Certificate of Incorporation, the stockholders, at a special meeting called expressly for that purpose, may remove from office with or without cause one or more directors and elect their successors. A director may be removed only if the number of votes cast for removal exceeds the number of votes cast against removal.

Section 11. *Vacancies*. Unless otherwise provided by law, or as set forth in the Corporation's Certificate of Incorporation, in case of any vacancy in the Board of Directors, including a vacancy resulting from an increase in the number of directors, the remaining directors, whether constituting a quorum or not, or the stockholders, may fill the vacancy.

Section 12. *Compensation*. By resolution of the Board of Directors, each director may be paid Expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director, or a fixed sum for attendance at each meeting of the Board of Directors, or both. No such payment shall preclude any director from serving this Corporation in any other capacity and receiving compensation therefor.

Section 13. *Presumption of Assent.* A director of this Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

a. The director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding it or transacting business at the meeting;

b. The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

c. The director shall file written dissent or abstention with the presiding officer of the meeting before its adjournment or to the Corporation within a reasonable time after adjournment of the meeting.

The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 14. *Committees*. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an Executive Committee and one or more other committees, each of which:

a. Must have two (2) or more members;

b. Must be governed by the same rules regarding meetings, action without meetings, notice, and waiver of notice, and quorum and voting requirements as applied to the Board of Directors; and

c. To the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except no such committee shall have the authority to:

(1) Authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors;

(2) Approve or propose to stockholders action which the Delaware General Corporation Law requires to be approved by stockholders;

(3) Fill vacancies on the Board of Directors or on any of its committees;

(4) Amend the certificate of incorporation;

(5) Adopt, amend, or repeal the Bylaws;

(6) Approve a plan of merger not requiring stockholder approval; or

(7) Authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations on a class or series of shares, except that the Board of Directors may authorize a committee, or a senior executive officer of the Corporation, to do so within limits specifically prescribed by the Board of Directors.

ARTICLE III
Special Measures Applying to Both
Stockholders' Meetings and Directors' Meetings

Section 1. *Action by Written Consent.* Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual meeting or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Consent may be given in any manner and by any means authorized by the Delaware General Corporation Law. The date on which such Consent was transmitted shall be deemed to be the date on which such consent was signed. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Unless otherwise restricted by the certificate of incorporation or bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writings are filed with the minutes or proceedings of the board or committee.

Section 2. *Conference Telephone.* Meetings of the stockholders and Board of Directors may be effectuated by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at such meeting.

Section 3. *Mailed Notice to Stockholders.* If mailed to stockholders, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 4. *Electronic Transmission of Notice to Stockholders.* Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Notice shall be deemed given: (1) if by facsimile telecommunication,

when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder; and (4) if by any other form of electronic transmission, when directed to the stockholder.

ARTICLE IV
Officers

Section 1. *Positions*. The officers of this Corporation may be a Chief Executive Officer, President, one or more Vice Presidents, a Secretary, and a Treasurer, as appointed by the Board. Such other officers and assistant officers as may be necessary may be appointed by the Board of Directors or by a duly appointed officer to whom such authority has been delegated by Board resolution. No officer need be a stockholder or a director of this Corporation. Any two or more offices may be held by the same person.

The Board of Directors in its discretion may elect a Chairman from amongst its members to serve as Chairman of the Board of Directors, who, when present shall preside at all meetings of the Board of Directors, and who shall have such other powers as the Board may determine.

Section 2. *Appointment and Term of Office.* The officers of this Corporation shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If officers are not appointed at such meeting, such appointment shall occur as soon as possible thereafter. Each officer shall hold office until a successor shall have been appointed and qualified or until said officer's earlier death, resignation, or removal.

Section 3. *Powers and Duties*. If the Board appoints persons to fill the following officer positions, such officer shall have the powers and duties set forth below:

a. *President*. The President shall be the chief executive of the Corporation. He or she shall preside at all meetings of the stockholders and, in the absence of the Chairman of the Board, at meetings of the Board of Directors. He or she shall exercise such duties as customarily pertain to the office of President and shall have general and active supervision over the property, business, and affairs of the Corporation and over its several officers. He or she may appoint officers, agents, or employees other than those appointed by the Board of Directors. He or she may sign, execute, and deliver in the name of the Corporation powers of attorney, contracts, bonds, and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

The President, or any Vice President or such other person(s) as are specifically authorized by vote of the Board of Directors, shall sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind this Corporation. The President shall perform such other duties as the Board of Directors shall designate.

b. *Vice President.* During the absence or disability of the President, the Vice President (or in the event that there be more than one Vice President, the Vice Presidents

in the order designated by the Board of Directors) shall exercise all functions of the President, except as limited by resolution of the Board of Directors. Each Vice President shall have such powers and discharge such duties as may be assigned from time to time to such Vice President by the President or by the Board of Directors.

c. *Secretary*. The Secretary shall:

(1) Prepare minutes of the directors' and stockholders' meetings and keep them in one or more books provided for that purpose;

(2) Authenticate records of the Corporation;

(3) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(4) Be custodian of the corporate records and of the seal of the Corporation (if any), and affix the seal of the Corporation to all documents as may be required;

(5) Keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder;

(6) Sign with the President, or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;

(7) Have general charge of the stock transfer books of the Corporation; and

(8) In general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. In the Secretary's absence, an Assistant Secretary shall perform the Secretary's duties.

d. *Treasurer*. The Treasurer shall have the care and custody of the money, funds, and securities of the Corporation, shall account for the same, and shall have and exercise, under the supervision of the Board of Directors, all the powers and duties commonly incident to this office.

Section 4. *Salaries and Contract Rights*. The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors. The appointment of an officer shall not of itself create contract rights.

Section 5. *Resignation or Removal.* Any officer of this Corporation may resign at any time by giving written notice to the Board of Directors. Any such resignation is effective when the notice is delivered, unless the notice specifies a later date, and shall be without prejudice to the contract rights, if any, of such officer.

The Board of Directors, by majority vote of the entire Board, may remove any officer or agent appointed by it, with or without cause. The removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6. *Vacancies*. If any office becomes vacant by any reason, the directors may appoint a successor or successors who shall hold office for the unexpired term.

ARTICLE V
Certificates of Shares and Their Transfer

Section 1. *Issuance; Certificates of Shares*. No shares of this Corporation shall be issued unless authorized by the Board. Such authorization shall include the maximum number of shares to be issued, the consideration to be received, and a statement that the Board considers the consideration to be adequate. Certificates for shares of the Corporation shall be in such form as is consistent with the provisions of the Delaware General Corporation Law and shall state:

a. The name of the Corporation and that the Corporation is organized under the laws of the State of Delaware;

b. The name of the person to whom issued; and

c. The number and class of shares and the designation of the series, if any, which such certificate represents.

The certificate shall be signed by original or facsimile signature of two officers of the Corporation, and the seal of the Corporation may be affixed thereto.

Section 2. *Transfer of Stock*. Shares of stock may be transferred by delivery of the certificate accompanied by either an assignment in writing on the back of the certificate or by a written power of attorney to assign and transfer the same on the books of this Corporation, signed by the record holder of the certificate. The shares shall be transferable on the books of this Corporation upon surrender thereof so assigned or endorsed.

Section 3. *Loss or Destruction of Certificates*. In case of the loss, mutilation, or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors shall prescribe.

Section 4. *Record Date and Transfer Books*. For the purpose of determining stockholders who are entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the Board of Directors may fix in advance a record date for any such determination of stockholders, such date in any case to be not more than seventy (70) days and, in Case of a meeting of stockholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of stockholders, is to be taken.

If no record date is fixed for such purposes, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date is fixed for the original meeting.

Section 5. *Voting Record*. The officer or agent having charge of the stock transfer books for shares of this Corporation shall make at least ten (10) days before each meeting of stockholders a complete record of the stockholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting for the purposes thereof.

ARTICLE VI
Books and Records

Section 1. *Books of Accounts, Minutes, and Share Register.* The Corporation:

a. Shall keep as permanent records minutes of all meetings of its stockholders and Board of Directors, a record of all actions taken by the stockholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of the Corporation;

b. Shall maintain appropriate accounting records;

c. Shall, or shall cause its agent to maintain a record of its stockholders, in a form that permits preparation of a list of the names and addresses of all stockholders, in alphabetical order by class of shares showing the number and class of shares held by each; and

d. Shall keep a copy of the following records at its principal office:

(1) The certificate of incorporation or Restated certificate of incorporation and all amendments to them currently in effect;

(2) The Bylaws or Restated Bylaws and all amendments to them currently in effect;

(3) The minutes of all stockholders' meetings, and records of all actions taken by stockholders without a meeting, for the past three (3) years;

(4) Its financial statements for the past three (3) years, including balance sheets showing in reasonable detail the financial condition of the Corporation as of the close of each fiscal year, and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein;

(5) All written communications to stockholders generally within the past three (3) years;

(6) A list of the names and business addresses of its current directors and officers; and

(7) Its most recent annual report delivered to the Secretary of State of Delaware.

Section 2. *Copies of Resolutions*. Any person dealing with the Corporation may rely upon a copy of any of the records of the Proceedings, resolutions, or votes of the Board of Directors or stockholders, when certified by the President or Secretary.

ARTICLE VII
Indemnification of Officers, Directors, Employees and Agents

Section 1. *Definitions*. As used in this Article:

a. "**Act**" means the Delaware General Corporation Law, now or hereafter in force.

b. "**Agent**" means an individual who is or was an agent of the Corporation or an individual who, while an agent of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. "Agent" includes, unless the context requires otherwise, the estate or personal representative of an agent.

c. "**Corporation**" means this Corporation, and any domestic or foreign predecessor entity which, in a merger or other transaction, ceased to exist.

d. "**Director**" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

e. "**Employee**" means an individual who is or was an employee of the Corporation or an individual, while an employee of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or Agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. "Employee" includes, unless the context requires otherwise, the estate or personal representative of an Employee.

f. "**Expenses**" means all fees and expenses incurred in any Proceeding including, without limitation, the fees and expenses of counsel.

g. "**Indemnitee**" means an individual made a Party to a Proceeding because the individual is or was a Director, Officer, Employee, or Agent of the Corporation, and who possesses indemnification rights pursuant to the certificate of incorporation, these Bylaws, or other corporate action. "Indemnitee" shall also include the heirs, executors, and other successors in interest of such individuals.

h. "**Liability**" means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable Expenses incurred with respect to a Proceeding.

i. "**Officer**" means an individual who is or was an officer of the Corporation or an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

j. "**Party**" includes an individual who was, is, or is threatened to be named a defendant or respondent in a Proceeding.

k. "**Proceeding**" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

Section 2. *Indemnification Rights of Directors, Officers, Employees and Agents*. The Corporation shall indemnify its Directors, Officers, Employees and Agents to the full extent permitted by applicable law as then in effect against Liability arising out of a Proceeding to which such individual was made a Party because the individual is or was a Director, Officer, Employee or Agent of the Corporation. The Corporation shall advance Expenses incurred by such persons who are parties to a Proceeding in advance of final disposition of the Proceeding, as provided herein.

Section 3. *Procedure for Seeking Indemnification and/or Advancement of Expenses*.

a. *Notification and Defense of Claim*. Indemnitee shall promptly notify the Corporation in writing of any Proceeding for which indemnification could be sought under this Article. In addition, Indemnitee shall give the Corporation such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

With respect to any such Proceeding as to which Indemnitee has notified the Corporation:

(1) The Corporation will be entitled to participate therein at its own expense;

(2) Except as otherwise provided below, to the extent that it may wish, the Corporation, jointly with any other indemnifying Party similarly notified, will be entitled to assume the defense thereof; with counsel satisfactory to Indemnitee. Indemnitee's consent to such counsel may not be unreasonably withheld.

After notice from the Corporation to Indemnitee of its election to assume the defense, the Corporation will not be liable to Indemnitee under this Article for any legal or other Expenses subsequently incurred by Indemnitee in connection with such defense. However, Indemnitee shall continue to have the right to employ its counsel in such Proceeding, at Indemnitee's expense; and if:

(a) The employment of counsel by Indemnitee has been authorized by the Corporation;

(b) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnitee in the conduct of such defense; or

(c) The Corporation shall not in fact have employed counsel to assume the defense of such Proceeding,

the fees and Expenses of Indemnitee's counsel shall be at the expense of the Corporation.

The Corporation shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Corporation or as to which Indemnitee shall reasonably have made the conclusion that a conflict of interest may exist between the Corporation and the Indemnitee in the conduct of the defense.

b. *Information to be Submitted and Method of Determination and Authorization of Indemnification.* For the purpose of pursuing rights to indemnification under this Article, the Indemnitee shall submit to the Board a sworn statement requesting indemnification and reasonable evidence of all amounts for which such indemnification is requested (together, the sworn statement and the evidence constitutes an "Indemnification Statement").

Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Corporation shall, within sixty (60) calendar days thereafter, make the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee, unless: (1) within such sixty (60) calendar day period it shall be determined by the Corporation that the Indemnitee is not entitled to indemnification under this Article; (2) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption); and (3) the Indemnitee shall receive notice in writing of such determination, which notice shall disclose with particularity the evidence upon which the determination is based.

At the election of the President, the foregoing determination may be made by either: (1) the written consent of the stockholders owning a majority of the stock in the Corporation; (2) a committee chosen by written consent of a majority of the Directors of the Corporation, and consisting solely of two (2) or more Directors not at the time parties to the Proceeding; or (3) as provided by Section 145 of the Delaware General Corporation Law.

Any determination that the Indemnitee is not entitled to indemnification, and any failure to make the payments requested in the Indemnification Statement, shall be subject to judicial review by any court of competent jurisdiction.

c. *Special Procedure Regarding Advance for Expenses.* An Indemnitee seeking payment of Expenses in advance of a final disposition of the Proceeding must furnish the Corporation, as part of the Indemnification Statement:

(1) A written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct required to be eligible for indemnification; and

(2) A written undertaking, constituting an unlimited general obligation of the Indemnitee, to repay the advance if it is ultimately determined that the Indemnitee did not meet the required standard of conduct.

If the Corporation determines that indemnification is authorized, the Indemnitee's request for advance of Expenses shall be granted.

d. *Settlement*. The Corporation is not liable to indemnify Indemnitee for any amounts paid in settlement of any Proceeding without Corporation's written consent. The Corporation shall not settle any Proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee may unreasonably withhold its consent to a proposed settlement.

Section 4. *Contract and Related Rights*.

a. *Contract Rights.* The right of an Indemnitee to indemnification and advancement of Expenses is a contract right upon which the Indemnitee shall be presumed to have relied in determining to serve or to continue to serve in his or her capacity with the Corporation. Such right shall continue as long as the Indemnitee shall be subject to any possible Proceeding. Any amendment to or repeal of this Article shall not adversely affect any right or protection of an Indemnitee with respect to any acts or omissions of such Indemnitee occurring prior to such amendment or repeal.

b. *Optional Insurance, Contracts, and Funding.* The Corporation may:

(1) Maintain insurance, at its expense, to protect itself and any Indemnitee against any Liability, whether or not the Corporation would have power to indemnify the individual against the same Liability;

(2) Enter into contracts with any Indemnitee in furtherance of this Article and consistent with the Act; and

(3) Create a trust fund, grant a security interest, or use other means (including without limitation a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

c. *Severability*. If any provision or application of this Article shall be invalid or unenforceable, the remainder of this Article and its remaining applications shall not be affected thereby, and shall continue in full force and effect.

d. *Right of Indemnitee to Bring Suit.* If (1) a claim under this Article for indemnification is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation; or (2) a claim under this Article for advancement of Expenses is not paid in full by the Corporation within twenty (20) days after a written claim has been received by the Corporation, then the Indemnitee may, but need not, at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the extent successful in whole or in part, the Indemnitee shall be entitled to also be paid the expense (to be proportionately prorated if the Indemnitee is only partially successful) of prosecuting such claim.

Neither: (1) the failure of the Corporation (including its Board of Directors, its stockholders, or independent legal counsel) to have made a determination prior to the commencement of such Proceeding that indemnification or reimbursement or advancement of Expenses to the Indemnitee is proper in the circumstances; nor (2) an actual determination by the Corporation (including its Board of Directors, its stockholders, or independent legal counsel) that the Indemnitee is not entitled to indemnification onto the reimbursement or advancement of Expenses, shall be a defense to the Proceeding or create a presumption that the Indemnitee is not so entitled.

Section 5. *Exceptions*. Any other provision herein to the contrary notwithstanding, the Corporation shall not be obligated pursuant to the terms of these Bylaws to indemnify or advance Expenses to Indemnitee with respect to any Proceeding:

a. *Claims Initiated by Indemnitee.* Initiated or brought voluntarily by Indemnitee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under these Bylaws or any other statute or law or as otherwise required under the statute; but such indemnification or advancement of Expenses may be provided by the Corporation in specific cases if the Board of Directors finds it to be appropriate.

b. *Lack of Good Faith.* Instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such Proceeding was not made in good faith or was frivolous.

c. *Insured Claims*. For which any of the Expenses or liabilities for indemnification is being sought have been paid directly to Indemnitee by an insurance carrier under a policy of Officers' and Directors' Liability insurance maintained by the Corporation.

d. *Prohibited by Law.* If the Corporation is prohibited by the Delaware General Corporation Law or other applicable law as then in effect from paying such indemnification and/or advancement of Expenses. For example, the Corporation and Indemnitee acknowledge that the Securities and Exchange Commission ("SEC") has taken the position that indemnification is not possible for liabilities arising under certain federal securities laws, and federal legislation prohibits indemnification for certain ERISA violations. Indemnitee understands and acknowledges that the Corporation has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Corporation's right to indemnify Indemnitee.

ARTICLE VIII
Amendment of Bylaws

Section 1. *By the Stockholders*. These Bylaws may be amended or repealed at any regular or special meeting of the stockholders if notice of the proposed amendment is contained in the notice of the meeting.

Section 2. *By the Board of Directors.* These Bylaws may be amended or repealed by the affirmative vote of a majority of the whole Board of Directors of any meeting of the Board, if notice of the proposed amendment is contained in the notice of the meeting. However, the directors may not modify the Bylaws fixing their qualifications, classifications, or term of office.

CERTIFICATE OF ADOPTION

The foregoing Amended and Restated Bylaws were adopted by the stockholders of the Corporation on June 28, 2007.

Dated effective June 28, 2007.

/s/ Glenn Kelman
Glenn Kelman, Secretary

AMENDMENTS

Amended effective May 4, 2006 to change name from Appliance Computing Inc. to Redfin Corporation

Section II amended and restated in its entirety pursuant to stockholder consent effective June 28, 2007.

Exhibit 4.2

REDFIN CORPORATION

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Amended and Restated Investors' Rights Agreement (this "***Agreement***") is made as of December 15, 2014, by and among Redfin Corporation, a Delaware corporation (the "***Company***") and the investors listed on Exhibit A hereto (each, an "***Investor***" and, together, the "***Investors***"). This Agreement amends and restates in its entirety that certain Investors' Rights Agreement, dated as of November 7, 2013, among the Company and the Investors set forth therein (the "***Prior Agreement***").

RECITALS

A. The Company and certain of the Investors (collectively, the "***Existing Investors***") who, before the date hereof, acquired shares of the Company's Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock (collectively, the "***Series A Preferred***"), Series B Preferred Stock (the "***Series B Preferred***"), Series C Preferred Stock (the "***Series C Preferred***"), Series D Preferred Stock (the "***Series D Preferred***"), Series E Preferred Stock (the "***Series E Preferred***") and Series F Preferred Stock (the "***Series F Preferred***") are parties to the Prior Agreement.

B. The Company and certain of the Investors (collectively, the "***Series G Investors***") have entered into that certain Series G Preferred Stock Purchase Agreement of even date herewith (the "***Series G Purchase Agreement***"), which provides for, among other things, the purchase by the Series G Investors of shares of the Company's Series G Preferred Stock (the "***Series G Preferred***" and, together with the Series A Preferred, the Series B Preferred, the Series C Preferred, the Series D Preferred, the Series E Preferred and the Series F Preferred, the "***Preferred Stock***").

C. A condition to the Series G Investors' obligations under the Series G Purchase Agreement is that the Company, the Existing Investors and the Series G Investors enter into this Agreement in order to provide the Investors with (i) certain rights to register shares of Common Stock issuable upon conversion of the Preferred Stock held by the Investors, (ii) certain rights to receive or inspect information pertaining to the Company, and (iii) a right of first offer with respect to certain issuances by the Company of its securities. The Company and the Existing Investors each desire to induce the Series G Investors to purchase shares of Series G Preferred Stock pursuant to the Series G Purchase Agreement by agreeing to the terms and conditions set forth herein.

D. The Company and the Existing Investors each desire to amend and restate the Prior Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. **Registration Rights.** The Company and the Investors covenant and agree as follows:

1.1 **Definitions.** For purposes of this Section 1:

(a) The term "***Affiliate***" has the meaning given such term under Rule 12b-2 promulgated under the Exchange Act.

(b) The term "***Exchange Act***" means the Securities Exchange Act of 1934, as amended (and any successor thereto), and the rules and regulations promulgated thereunder;

(c) The term "***Fidelity***" means Fidelity Management & Research Company and its affiliates.

(d) The term "***Fidelity Parties***" means, collectively, Fidelity Securities Fund: Fidelity OTC Portfolio, Fidelity Advisor Series I: Fidelity Advisor Growth Opportunities Fund, Fidelity Advisor Series I: Fidelity Advisor Series Growth Opportunities Fund and Variable Insurance Products Fund III: Growth Opportunities Portfolio.

(e) The term "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor form under the Securities Act that permits significant incorporation by reference of the Company's subsequent public filings under the Exchange Act;

(f) The term "***Holder***" means any Investor (or any transferee resulting from the application of Section 1.12 below) owning Registrable Securities or any assignee thereof to whom registration rights with respect thereto have been assigned in accordance with Section 1.12 of this Agreement;

(g) The term "***Major Investor***" means each Investor holding at least 950,000 shares (subject to adjustment for stock splits, stock dividends, reclassifications or the like) of Registrable Securities and each individual and entity that holds any shares of Registrable Securities listed on Exhibit B hereto, or any transferee thereof whose investment decisions are made by an investment advisor registered under the Investment Adviser's Act of 1940; *provided* that, without limiting the foregoing, Fidelity and all Wellington Accounts and any successor advisor to such Wellington Accounts shall be considered "Major Investors" for the purposes of Section 2.1 and Section 2.2. For purposes of Section 2.3, the term "Major Investor" includes any general partners, managing members and affiliates of a person that is otherwise a Major Investor, including Affiliated Funds. A Major Investor who chooses to exercise the right of first offer in Section 2.3 may designate as purchasers under such right itself or its partners or affiliates, including Affiliated Funds, in such proportions as it deems appropriate.

(h) The term "***Qualified IPO***" has the meaning assigned to such term in the Restated Charter (as defined below);

(i) The terms "***register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document;

(j) The term "***Registrable Securities***" means (i) the shares of Common Stock issuable or issued upon conversion of the Preferred Stock, (ii) any shares of Common Stock, or any shares of Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors (excluding all shares of Common Stock issued or issuable upon exercise of options or restricted stock granted by the Board to an equity award recipient (the "***Award Recipient***") pursuant to the Company's equity incentive plans in consideration of services to the Company when held by such Award Recipient) and (iii) any other shares of Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in (i) and (ii). Notwithstanding the foregoing, Common Stock or other securities shall not be Registrable Securities if (A) they have been sold to or through a broker or dealer or underwriter in a public

distribution or a public securities transaction, (B) they have been sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions, and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale, or (C) the Holder thereof is not entitled to exercise any right provided in Section 1 in accordance with Section 1.15 below;

(k) The number of shares of "***Registrable Securities then outstanding***" shall be determined by the number of shares of Common Stock outstanding which are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities which are, Registrable Securities;

(l) The term "***SEC***" means the Securities and Exchange Commission; and

(m) The term "***Securities Act***" means the Securities Act of 1933, as amended (and any successor thereto), and the rules and regulations promulgated thereunder.

(n) The term "***Specified Parties***" means, collectively, T. Rowe, Wellington, the Fidelity Parties and Glynn Capital Entities.

(o) The term "***Specified Party Account***" means each individual advisory fund and/or account managed by a Specified Party that holds shares of the Company's Common Stock or Preferred Stock.

(p) The term "***T. Rowe***" means T. Rowe Price Associates, Inc.

(q) The term "***T. Rowe Account***" means each individual advisory fund and/or account managed by T. Rowe that holds shares of the Company's Common Stock or Preferred Stock.

(r) The term "***Wellington***" means Wellington Management Company, LLP, and any affiliated successor investment advisor or subadvisor thereof to the Wellington Account.

(s) The term "***Wellington Account***" means those Investors (or transferees of Registrable Securities held by Wellington Investors) that are advisory or subadvisory clients of Wellington.

1.2 **Request for Registration**.

(a) If the Company shall receive at any time after the earlier of December 15, 2019 or a date six months after the effective date of the first registration statement for a public offering of securities of the Company (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or an SEC Rule 145 transaction), a written request from the Holders of twenty percent (20%) of the Registrable Securities then outstanding (or any lesser percentage if the aggregate proceeds (after deduction for underwriter's discounts and expenses related to the issuance) from the offering is not less than $5,000,000) that the Company file a registration statement under the Securities Act covering Registrable Securities, then the Company shall, within 10 days of the receipt thereof, give written notice of such request to all Holders and shall, subject to the limitations of subsection 1.2(b), use its best efforts to file as soon as practicable, and in any event within 90 days of the receipt of such request, a registration statement under the Securities Act covering all Registrable Securities which the Holders request to be registered within 15 days of the mailing of such notice by the Company.

(b) If the Holders initiating the registration request hereunder ("***Initiating Holders***") intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2 and the Company shall include such information in the written notice referred to in subsection 1.2(a). The underwriter, who will be a firm of nationally recognized standing, will be selected by a majority-in-interest of the Initiating Holders and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority-in-interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.5(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all participating Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each participating Holder; provided, however, that the number of shares of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the President of the Company stating that, in the good faith judgment of the Board of Directors of the Company (the "***Board***"), it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore essential to defer the filing of such registration statement, the Company shall have the right to defer such filing for a period of not more than 90 days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve-month period, and, provided, further, that the Company shall not register any securities for the account of itself or any other stockholder during such 90 day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) After the Company has effected two (2) registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) During the 180-day period commencing with the effective date of the Company's initial public offering;

(iii) If the Company delivers notice to the Initiating Holders, within thirty (30) days after the receipt of the Initiating Holders' notice of request for registration, of its intent to file a registration statement for the Company's initial public offering within 60 days; provided, that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective;

(iv) If the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.4 below; or

(v) If the Initiating Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration statement, propose to sell Registrable Securities and such other securities (if any) the aggregate proceeds of which (after deduction for underwriter's discounts and expenses related to the issuance) are less than $5,000,000.

1.3 **Company Registration.** If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan or a transaction covered by Rule 145 under the Securities Act, a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within 20 days after mailing of such notice by the Company in accordance with Section 3.6, the Company shall, subject to the provisions of Section 1.8, cause to be registered under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered.

1.4 **Form S-3 Registration.** If the Company shall receive from any Holder or Holders of Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $1,000,000; (iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such Form S-3 Registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than 60 days after receipt of the request of the Holder or Holders under this Section 1.4; provided, however, that the Company shall not utilize this right more than once in any 12-month period and, provided, further, that the Company shall not register any securities for the account of itself or any other stockholder during such 60-day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act or a registration in which the only Common Stock

being registered is Common Stock issuable upon conversion of debt securities that are also being registered); (iv) if the Company has, within the 12-month period preceding the date of such request, already effected two registrations on Form S-3 for the Holders pursuant to this Section 1.4; (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (vi) during the period ending 180 days after the effective date of a registration statement, in the case of the Company's initial public offering, or 90 days after the effective date of a registration in connection with any subsequent public offerings subject to Section 1.3.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as demands for registration or registrations effected pursuant to Sections 1.2 or 1.3, respectively.

1.5 **Obligations of the Company.** Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for at least 180 days, or until the distribution described in such registration statement is completed, if earlier.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for up to 180 days, or until the distribution described in such registration statement is completed, if earlier.

(c) Furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the

circumstances then existing, such obligation to continue for 120 days, and following such notification promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing.

(g) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(i) Use commercially reasonable efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters.

(j) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first month after the effective date of the Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(k) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 1.2 or 1.4 hereof, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, provided that such underwriting agreement contains reasonable and customary provisions, and provided, further, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

1.6 **Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities. The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.4 of this Agreement if, as a result of the application of the preceding sentence, the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in subsection 1.2(a) or subsection 1.4(b)(ii), whichever is applicable.

1.7 **Expenses of Registration**.

(a) **Demand Registration.** All expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Section 1.2, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, and the reasonable fees and disbursements (not to exceed $25,000 in the aggregate) of one counsel for the selling Holders selected by them, shall be borne by the Company; provided, however, that the Holders shall bear any expenses in excess of $25,000 associated with any special audit required in connection with a demand registration; provided, further, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit all Holders' right to one demand registration pursuant to Section 1.2, at which time this Agreement shall be deemed to have amended to such effect; provided, further, however, that if at the time of such withdrawal, the Holders (i) have learned of a material adverse change in the condition, business, or prospects of the Company that was not known to the Holders at the time of their request and (ii) have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall not forfeit their rights pursuant to Section 1.2.

(b) **Company Registration.** All expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.12), including (without limitation) all registration, filing, and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements (not to exceed $25,000 in the aggregate) of one counsel for the selling Holder or Holders selected by them, shall be borne by the Company.

(c) **Registration on Form S-3.** All expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1.4, including (without limitation) all registration, filing, qualification, printers' and accounting fees and the reasonable fees and disbursements (not to exceed $25,000 in the aggregate) of one counsel for the selling Holder or Holders selected by them and counsel for the Company shall be borne by the Company.

1.8 **Underwriting Requirements.** In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering.

Notwithstanding any other provision of this Section 1.8, if the underwriters advise the Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of Registrable Securities that may be so included shall be allocated as follows: (a) first, (x) if the

registration is made pursuant to Section 1.2 or 1.4, among all Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion, and (y) if the registration is made pursuant to Section 1.3, to the Company; (b) second, (x) if the registration is made pursuant to Section 1.2 or 1.4, to the Company, and (y) if the registration is made pursuant to Section 1.3, among all Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion; and (c) third, among other holders or employees of the Company to be allocated at the Company's discretion; provided, however, that in no event shall the amount of securities of the selling Holders included in the offering be reduced below 30% of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities, in which case, the selling stockholders may be excluded if the underwriters make the determination described above and no other stockholder's securities are included. For purposes of the preceding sentence concerning apportionment, for any selling stockholder which is a Holder of Registrable Securities and which is a partnership, corporation or venture capital fund, the partners, retired partners, stockholders and Affiliated Funds (as defined below) of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "***selling stockholder***," and any pro-rata reduction with respect to such "selling stockholder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling stockholder," as defined in this sentence.

1.9 **Delay of Registration.** No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 **Indemnification.** In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, any underwriter (as defined in the Securities Act) for such Holder, each officer, director, member, stockholder, partner, legal counsel and accountant of such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, expenses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, expenses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "***Violation***"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay to each such Holder, officer, director, partner, member, stockholder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable to any Holder, officer, director, partner, member, stockholder, underwriter or controlling person for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with, and is proximately caused by, written information furnished expressly for use in connection with such registration by any such Holder, officer, director, partner, member, stockholder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder selling securities in such registration statement, any controlling person of any such underwriter or other Holder and the Company's legal counsel and accountant, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with, and is proximately caused by, written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided, further, that in no event shall the aggregate obligations under this obligation of any Holder under this subsection 1.10(b) and Subsection 1.10(d) below exceed (in the aggregate with respect to such Holder) the net proceeds from the offering received by such Holder, after deduction of underwriting commissions and expenses of the offering paid by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10 to the extent (but only to the extent) that the indemnifying party's ability to defend the action was prejudiced by such failure, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.10. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the

relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; provided, that in no event shall the aggregate obligations of a Holder under Subsection 1.10(b) above and this Subsection 1.10(d), when combined with indemnity pursuant to Section 1.10(b), exceed the net proceeds from the offering received by such Holder, after deduction of underwriting commissions and expenses of the offering paid by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise, including but in no way limited to termination of this Agreement.

1.11 **Reports Under the Exchange Act** With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep adequate current public information available, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public so long as the Company remains subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC which permits the selling of any such securities without registration or pursuant to such form.

1.12 **Assignment of Registration Rights.** The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee (i) (x) of at least that number of shares equal to 10% of the shares of Registrable Securities originally owned by the transferring Holder (or such lesser amount if the transferring Holder is transferring all Registrable Securities of the Holder), or (y) that prior to such transfer or assignment held Registrable Securities, (ii) that is a subsidiary, parent, partner, limited partner, retired partner, member, retired member or stockholder of a Holder, (iii) that is an Affiliate and/or an affiliated fund or entity of the Holder, which means with respect to a limited liability company or a limited liability partnership, a fund or entity managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company (such Affiliate, fund or entity, an "***Affiliated Fund***"), (iv) who is a Holder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (such a relation, a Holder's "***Immediate Family Member***," which term shall include adoptive relationships), or (v) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member;provided, that, prior to such transfer, the Company is furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and provided, further, that, as a condition to such assignment, the transferee agrees in writing with the Company to be bound by this Agreement and immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act. For the purposes of determining the number of shares of Registrable Securities held by a transferee or assignee, the holdings of transferees and assignees of (w) a partnership who are partners or retired partners of such partnership, (x) a limited liability company who are members or retired members of such limited liability company, (y) a corporation who are stockholders of such corporation (including Immediate Family Members of such partners, members or stockholders who acquire Registrable Securities by gift, will or intestate succession) or (z) a venture capital fund which is an Affiliated Fund of such venture capital fund shall be aggregated together and with the partnership, limited liability company or corporation; provided that all assignees and transferees who would not qualify individually for assignment of registration rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices or taking any action under Section 1.

1.13 **Limitations on Subsequent Registration Rights.** From and after the date of this Agreement, the Company shall not, (a) without the consent of the Board, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights; or (b) without the prior written consent of the holders of at least sixty-seven percent (67%) of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are senior to or on parity with the registration rights granted to the Holders hereunder.

1.14 **Lock-Up Agreement**.

(a) **Lock-Up Period; Agreement.** In connection with a Qualified IPO and upon request of the Company or the underwriters managing such offering of the Company's securities, each Holder agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company, however or whenever acquired (other than those included in the registration or acquired in or after the Qualified IPO, in each case, subject to any applicable Financial Industry Regulatory Authority or other regulatory restrictions) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement that reflects the foregoing and that does not contain any material obligations not already set forth in the foregoing as may be requested by the underwriters at the time of the Company's initial public offering.

(b) **Limitations.** The obligations described in Section 1.14(a) shall apply only if all officers and directors of the Company, all securityholders holding, as of the effective date of such registration, one-percent or more of the Company's securities on a fully-diluted basis (including shares of Common Stock reserved for issuance under the Company's equity incentive plan(s)), and all other persons with registration rights (whether or not pursuant to this Agreement) enter into similar agreements, and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of securities subject to such agreements, provided that, notwithstanding the foregoing, the Company and the underwriters may, in their sole discretion, waive or terminate these restrictions (i) if such waiver or termination is requested by a stockholder of the Company as a result of financial hardship for which such stockholder has no other reasonably available sources of liquidity, or (ii) for any other reason, provided that the aggregate number of shares with respect to which the Company or the underwriters waive or terminate such restrictions pursuant to (i) and (ii) above shall not exceed the number of shares of Common Stock representing 0.5% of the fully diluted capitalization of the Company as measured immediately prior to the consummation of the Qualified IPO.

(c) **Stop-Transfer Instructions.** In order to enforce the foregoing covenants, the Company may impose stop-transfer instructions with respect to the securities of each Holder (and the securities of every other person subject to the restrictions in Section 1.14(a)).

(d) **Transferees Bound.** Each Holder agrees that prior to the Company's initial public offering it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 1.14.

(e) **Exceptions.** The Company acknowledges that the restrictions contained in this Section 1.14 shall not apply to the Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock acquired by Fidelity or any Wellington Account following the effective date of the first registration statement of the Company covering Common Stock (or other securities) to be sold on behalf of the Company in its first firm commitment underwritten public offering of its Common Stock.

1.15 **Termination of Registration Rights.** No Holder shall be entitled to exercise any right provided for in this Section 1 after the earlier of (i) 5 years following the consummation of a Qualified IPO, (ii) such time as the Company's common stock is trading on a national securities exchange and the lock-up period described in Subsection 1.14(a) above has expired, and Rule 144 (or any successor provision) is available for the sale of all of such Holder's shares during a three-month period without registration, or (iii) upon termination of the Agreement, as provided in Section 3.1.

2. **Covenants of the Company**.

2.1 **Delivery of Financial Statements.** The Company shall deliver to each Major Investor (other than a Holder reasonably deemed by the Company to be a competitor of the Company; provided, that the parties agree that a Holder shall not be a competitor for this purpose solely because the Holder is a venture capital investment firm or other entity that has made, or its Affiliated Funds have made, investments in one or more companies that compete with the Company):

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company, a statement of operations for such fiscal year, a balance sheet and statement of stockholder's equity as of the end of such year, and a statement of cash flows for such year (collectively, the "***Year-End Financial Statements***"), such year-end financial statements to be audited and certified by an independent public accounting firm of nationally recognized standing selected by the Company and in reasonable detail and prepared in accordance with generally accepted accounting principles ("***GAAP***") and a capitalization table, which sets forth the Company's fully-diluted capitalization as of the end of such fiscal year;

(b) as soon as practicable, but in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, an unaudited statement of operations, a statement of cash flows for such fiscal quarter, an unaudited balance sheet as of the end of such fiscal quarter and a capitalization table, which sets forth the Company's fully-diluted capitalization as of the end of such fiscal quarter;

(c) within 30 days of the end of each month, a statement of operations, a statement of cash flows and a balance sheet for and as of the end of such month, unaudited and in reasonable detail;

(d) not less than 30 days prior to the end of each fiscal year, a budget and business plan for the next fiscal year; and

(e) with respect to the financial statements called for in subsections (b) and (c) of this Section 2.1, starting with the first report delivered after the second full fiscal quarter following the Company's employment of a principal financial officer, but in no event earlier than the Company's completion of its first financial audit of a fiscal year, an instrument executed by the principal financial officer or President of the Company and certifying that such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes and certain other disclosures and classifications that may be required by GAAP) and fairly present in all material respects the financial condition of the Company and its results of operation for the period specified, subject to year-end adjustment.

2.2 **Inspection.** The Company shall permit each Major Investor (except for a Holder reasonably deemed by the Company to be a competitor of the Company; provided, that the parties agree that a Holder shall not be a competitor for this purpose solely because the Holder is a venture capital investment firm or other entity that has made, or its Affiliated Funds have made, investments in one or more companies that compete with the Company); provided, further, that in no case shall Fidelity, Wellington or any Wellington Account be deemed a competitor of the Company for purposes of this Section 2, at such Holder's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information which it reasonably considers to be a trade secret or similar confidential information.

2.3 **Right of First Offer.** Subject to the terms and conditions specified in this Section 2.3, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as defined below). For purposes of this Section 2.3, the term "***Major Investor***" includes (i) any general partners, managing members and affiliates of a Major Investor, including Affiliated Funds, and (ii) any Wellington Account. A Major Investor who chooses to exercise the right of first offer may designate as purchasers under such right itself or its partners or Affiliates, including Affiliated Funds, in such proportions as it deems appropriate. Each time the Company proposes

to offer any shares of, or securities convertible into or exercisable for any shares of, any class of its capital stock ("***Shares***"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice (the "***RFO Notice***") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Shares.

(b) Within 15 calendar days after delivery of the RFO Notice, the Major Investors may elect to purchase or obtain, at the price and on the terms specified in the RFO Notice, up to that portion of such Shares which equals the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all outstanding convertible or exercisable securities then held (excluding for the purposes of this Section 2.3(b) all shares of Common Stock issued or issuable upon exercise of options or restricted stock granted by the Board to an Award Recipient pursuant to the Company's equity incentive plans in consideration of services to the Company when held by such Award Recipient), by such Major Investor bears to the total number of shares of Common Stock then outstanding (assuming full conversion and exercise of all outstanding convertible or exercisable securities). Such purchase shall be completed at the same closing as that of any third party purchasers or at an additional closing thereunder. The Company shall promptly, in writing, inform each Major Investor that purchases all the shares available to it (each, a "***Fully Exercising Investor***") of any other Major Investor's failure to do likewise. During the 5-day period commencing after receipt of such information, each Fully Exercising Investor shall be entitled to obtain a portion of the Shares for which Major Investors were entitled to subscribe but which were not subscribed for by the Major Investors (the "***Unallocated Shares***") by indicating in writing to the Company how many additional shares such Fully Exercising Investor desires to purchase, and the Unallocated Shares will be allocated among all Fully Exercising Investors indicating an interest to purchase Unallocated Shares in proportion to the relative number of shares of Common Stock issued and held, or issuable upon conversion and exercise of all outstanding convertible or exercisable securities then held, by such Fully Exercising Investors. This allocation process will be repeated successively until the earlier to occur of (i) the date that all of the Shares have been allocated or all of the demand for additional Shares by Fully Exercising Investors has been satisfied or (ii) the 15th calendar day after delivery of the RFO Notice.

(c) The Company may, during the 75-day period following the expiration of the period provided in Section 2.3(b), offer the remaining unsubscribed portion of the Shares to any person or persons at a price not less than, and upon terms no more favorable to the offeree than those specified in the RFO Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within 95 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 2.3 shall not be applicable to:

(i) Shares of Series G Preferred Stock issued pursuant to the terms of the Series G Purchase Agreement;

(ii) Shares of Common Stock issuable or issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock;

(iii) Up to 66,156,658 shares of Common Stock, or options or other rights to purchase Common Stock, issued or granted, as approved by the Board, to employees, officers,

directors and consultants of the Company pursuant to any one or more employee stock plans or agreements approved by the Board (including any options outstanding on the date hereof and any shares issued upon exercise of options prior to the date hereof);

(iv) Common stock issued or issuable to financial institutions or lessors in connection with real estate leases, commercial credit arrangements, equipment financings or similar transactions, including, but not limited to, equipment leases or bank lines of credit, in each case approved by the Board;

(v) Securities issued as a dividend or distribution on, or in connection with a split of or recapitalization of, any of the capital stock of the Company;

(vi) Common stock issued by the Company pursuant to a strategic partnership, joint venture or other similar arrangement unanimously approved by the Board where the primary purpose of the arrangement is not to raise capital;

(vii) Securities issued pursuant to a Qualified IPO;

(viii) Common stock issued by the Company pursuant to the acquisition of another corporation or other entity by the Company by merger, purchase of all or substantially all of the capital stock or assets, or other reorganization approved by the Board;

(ix) Common stock issuable in respect of any shares, options, warrants or convertible securities issued as a result of the application of the anti-dilution provisions set forth in Article 5, Section 3(d) of the Restated Certificate or as a result of the operation of anti-dilution provisions that are contained in the original terms of such securities and that provide for anti-dilution adjustments under substantially the same circumstances and according to the same adjustment formula as specified in Article 5, Section 3(d) of the Restated Certificate;

(x) Securities issued upon exercise of options, warrants, notes or other rights to acquire securities (or upon conversion of securities issuable upon exercise or conversion of such options, warrants, notes or other rights) of the Company outstanding as of the date of this Agreement; and

(xi) Securities issued pursuant to the agreement of (A) the holders of at least sixty-seven percent (67%) of the Preferred Stock, voting together as a single class on an as-converted basis, and (B) the holders of at least sixty-two percent (62%) of the Series F Preferred and the Series G Preferred, voting together as a single class on an as-converted basis, that such securities shall not be subject to the right of first offer in this Section 2.3.

In addition to the foregoing, the right of first offer in this Section 2.3 shall not be applicable with respect to any Major Investor and any subsequent securities issuance, if (i) at the time of such subsequent securities issuance, the Major Investor is not an "accredited investor," as that term is then defined in Rule 501(a) under the Securities Act, and (ii) such subsequent securities issuance is otherwise being offered only to accredited investors.

2.4 **Proprietary Information and Invention Assignment Agreement.** The Company shall require all present and future employees and consultants of the Company to enter into a Proprietary Information and Invention Assignment Agreement with the Company in substantially the form and substance approved by the Board, which agreement will include non-competition and non-solicitation provisions that provide, at a minimum, that such employee or consultant will not solicit the

Company's personnel for at least one year following termination of the provision of service to the Company and, in the case of employees, that such employee will not compete with the Company for at least one year following such employee's termination of employment with the Company or the Company's termination of such employee for "cause."

2.5 **Stock Option Grants.** Unless otherwise approved by the Board, all issuances of stock options or restricted stock granted to employees of the Company shall vest on a four (4) year vesting schedule such that vesting will commence on the one (1) year anniversary of the date of grant, with twenty-five percent (25%) vesting on the one (1) year anniversary, and 1/36th of the remaining shares vesting monthly thereafter.

2.6 **Directors and Officers Insurance.** The Company will maintain Directors and Officers' Insurance in an amount of not less than $2,000,000 and will certify to the Investors on an annual basis that such insurance is in place and current.

2.7 **Expenses.** The Company shall pay the reasonable out-of-pocket expenses incurred by directors in connection with their attendance at Board meetings or other Company-authorized business.

2.8 **Compensation Committee.** The Company shall establish and maintain a Compensation Committee of the Board of Directors to implement salary and equity guidelines for the Company, as well as approve compensation packages, severance agreements and employment agreements for all senior managers (vice president and above). All employees of the Company shall be employed by the Company "at will." The Compensation Committee of the Board of Directors shall consist of Directors that are not employees of the Company and shall have at least two members.

2.9 **Certain Administrative Matters**.

(a) The Company shall certificate all shares of the Company's Common Stock and/or Preferred Stock held by a Specified Party Account.

(b) The Company shall promptly and accurately respond, and shall use its best efforts to cause its transfer agent to promptly respond, to requests for information made on behalf of any Specified Party Account relating to:

(i) accounting or securities law matters required in connection with an audit of a Specified Party Account; or

(ii) the number and type of the Company's securities held by such Specified Party Account, including in relation to the Company's outstanding capital stock;

provided, however, that the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law, conflict with the Company's insider trading policy, or a confidentiality obligation of the Company.

2.10 **Termination of Covenants**.

(a) The covenants set forth in Sections 2.1 and 2.2 shall terminate as to each Holder and be of no further force or effect upon the earlier of: (i) immediately prior to the consummation of a Qualified IPO; (ii) the Company first becomes subject to the periodic reporting requirements of Sections 13 or 15(d) of the Exchange Act; and (iii) upon termination of this Agreement, as provided in Section 3.1.

(b) The covenants set forth in Sections 2.3 through Section 2.9 shall terminate as to each Holder and be of no further force or effect (i) immediately prior to the consummation of a Qualified IPO, or (ii) upon termination of this Agreement, as provided in Section 3.1.

(c) The covenants set forth in Section 2.9 shall terminate and be of no further force or effect when no Specified Party Account holds any shares of the Company's Common Stock and/or Preferred Stock that are restricted under the Securities Act.

2.11 **Transfers to Affiliated Funds.** Each of the Holders shall be entitled to transfer all or part of its shares of Preferred Stock purchased by it to one or more Affiliated Funds or any or their respective directors, officers, partners or members, provided such transferee agrees in writing to be subject to the terms of the stock purchase agreement applicable to such series of Preferred Stock and the Transaction Agreements (as that term is defined in the Series G Purchase Agreement) as if it were a purchaser thereunder.

3. **Miscellaneous**.

3.1 **Termination.** This Agreement shall terminate, and have no further force and effect, when the Company shall consummate a transaction or series of related transactions deemed to be a Liquidation Event of the Company (as that term is defined in the Company's Amended and Restated Certificate of Incorporation, as such document may be amended from time to time (the "***Restated Certificate***")); provided, however, if the consideration includes equity securities, termination shall result only if the equity securities are publicly traded; provided, further, that the covenants set forth in Section 2.1, 2.2 shall not terminate if, following, and as a result of, such Liquidation Event, Fidelity or any Wellington Account holds equity in an entity that is not subject to the periodic reporting requirements of Section 13 or 15(d) of the Exchange Act.

3.2 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements relating to the subject matter hereof existing between the parties hereto are expressly canceled.

3.3 **Successors and Assigns.** Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties (including transferees of any of the Preferred Stock or any Common Stock issued upon conversion thereof). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.4 **Amendments and Waivers.** Any term of this Agreement (other than Sections 2.1, 2.2 and 2.3) may be amended or waived only with the written consent of the Company and the holders of at least 67% of the Registrable Securities then outstanding; provided, however, that any amendment which treats any holder(s) of Registrable Securities different from other holders of Registrable Securities shall require the consent of the holder(s) of at least 67% of Registrable Securities so adversely affected. The provisions of Sections 2.1, 2.2 and 2.3 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the holders of at least sixty-seven percent (67%) of the Registrable Securities held by the Major Investors, provided, however, that if the provisions of Section 2.3 are waived pursuant

to this Section 3.4 with respect to future sales by the Company of its Shares without the consent of Wellington or Fidelity, and if another Major Investor participates in such sale by the Company of its Shares, Wellington or Fidelity, as applicable, shall have the right to participate in such sale by the Company of its Shares on the same terms as such Major Investor. The provisions of Sections 1.14 and 2.1 may not be amended or waived (either generally or in a particular instance and either retroactively or prospectively) without the written consent of Fidelity and Wellington. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each party to the Agreement, whether or not such party has signed such amendment or waiver, each future holder of all such Registrable Securities, and the Company. Notwithstanding anything to the contrary in this Agreement, (i) Sections 1.1(g) and 2.3 shall not be amended, modified, waived or terminated without the prior written consent of the holder(s) of at least a majority of the Registrable Securities held by the Major Investors, (ii) Section 2.9 shall not be amended, modified, waived or terminated without the prior written consent of the holder(s) of at least a majority of the Registrable Securities held by the Specified Party Accounts, in each case to the extent such amendment, modification, waiver or termination affects such Investor(s), and (iii) the definition of "Affiliate" as it relates to a Wellington Account may not be amended or waived without the prior written consent of such Wellington Account, and (iv) the definitions of "Wellington" and "Wellington Account" may not be amended, terminated or waived without the prior written consent of the Wellington Account holding a majority of the Registrable Securities then outstanding and held by the Wellington Account.

3.5 **Superseding Registration Rights.** To the extent the Company grants after the date hereof any subsequent registration rights or rights of first offer with respect to new issuances of Company Stock which rights the Board of Directors of the Company in its good faith judgment determine are superior to those set forth in Sections 1 and 2.3 of this Agreement, the Company will take all steps necessary to grant the same or substantially equivalent rights to each Major Investor.

3.6 **Notices.** Unless otherwise provided, any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by facsimile, or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at (i) with respect to the Company, 2025 1st Avenue, 5th Floor, Seattle, WA 98121, Attention: Chief Executive Officer, fax: (206) 686-6055, with a copy to Fenwick & West LLP, Attention: Alan C. Smith, 1191 Second Avenue, 10th Floor, Seattle, WA 98101, fax: (206) 389-4511, and (ii) with respect to the Investors, such party's address or facsimile number as set forth on Exhibit A hereto or as subsequently modified by written notice.

3.7 **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

3.8 **Governing Law.** This Agreement and all acts and transactions pursuant hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws.

3.9 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.10 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.11 **Aggregation of Stock.** All shares of Preferred Stock held or acquired by affiliated persons and entities, including affiliated venture capital funds and their partners, retired partners, members, former members and stockholders, or the estates and family members of any such partners, retired partners, members, former members, stockholders and any trusts for the benefit of any of the foregoing persons, shall be aggregated together for the purpose of determining the availability of any rights under this Agreement. Notwithstanding the foregoing, for purposes of this Agreement, (a) each Wellington Account shall be deemed to be an Affiliate of each other Wellington Account, and (b) an entity that is an Affiliate of a Wellington Account shall not be deemed to be an Affiliate of any other Wellington Account unless such entity is a Wellington Account (and, for the avoidance of doubt, an Affiliate of such entity shall not be deemed an Affiliate of any Wellington Account solely by virtue of being an Affiliate of such entity).

3.12 **Prior Agreement.** Effective upon and contingent upon the execution of this Agreement by the Company and the Existing Investors, the Prior Agreement shall be amended and restated to read as set forth in this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

COMPANY:

REDFIN CORPORATION

By: /s/ Glenn Kelman
Name: Glenn Kelman
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Alpha Opportunities Fund

By: Wellington Management Company, LLP,
as investment adviser
/s/ Steven M. Hoffman

Name: Steven M. Hoffman

Title: Vice President and Counsel

Alpha Opportunities Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Alpha Opportunities Trust

By: Wellington Management Company, LLP,
as investment adviser
/s/ Steven M. Hoffman

Name: Steven M. Hoffman

Title: Vice President and Counsel

Alpha Opportunities Trust
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ANNOX CAPITAL, LLC

By: /s/ Robert J. Mylod, Jr.

Name: Robert J. Mylod, Jr.

Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

BRAND EQUITY VENTURES II, L.P.

By: Brand Equity Partners II, L.L.C.
Its: General Partner

By: /s/ Marc Singer
Name: Marc Singer
Its: Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

BROTHERS BROOK, LLP

By: /s/ Jeff Boyd
Name: Jeff Boyd
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

DRAPER FISHER JURVETSON FUND IX, L.P.

By: /s/ John Fisher
Name: John Fisher
Title: Managing Director

DRAPER FISHER JURVETSON PARTNERS IX, LLC

By: /s/ John Fisher
Name: John Fisher
Title: Managing Member

DRAPER ASSOCIATES, L.P.

By:
Name: Timothy C. Draper
Title: General Partner

DRAPER ASSOCIATES RISKMASTERS FUND II, LLC

By:
Name: Timothy C. Draper
Title: Managing Member

DRAPER ASSOCIATES RISKMASTERS FUND III, LLC

By:
Name: Timothy C. Draper
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

DRAPER FISHER JURVETSON FUND IX, L.P.

By: _____
Name: John Fisher
Title: Managing Director

DRAPER FISHER JURVETSON PARTNERS IX, LLC

By: _____
Name: John Fisher
Title: Managing Member

DRAPER ASSOCIATES, L.P.

By: /s/ Timothy Draper
Name: Timothy C. Draper
Title: General Partner

DRAPER ASSOCIATES RISKMASTERS FUND II, LLC

By: /s/ Timothy Draper
Name: Timothy C. Draper
Title: Managing Member

DRAPER ASSOCIATES RISKMASTERS FUND III, LLC

By: /s/ Timothy Draper
Name: Timothy C. Draper
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Fidelity Securities Fund: Fidelity OTC Portfolio

By: /s/ Kenneth Robins

Name: Kenneth Robins

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Fidelity Advisor Series I: Fidelity Advisor Growth Opportunities Fund

By: /s/ Kenneth Robins

Name: Kenneth Robins

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Fidelity Advisor Series I: Fidelity Advisor Series Growth Opportunities Fund

By: /s/ Kenneth Robins

Name: Kenneth Robins

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Global Multi-Strategy Fund

By: Wellington Management Company, LLP,
as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Global Multi-Strategy Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

GLOBESPAN CAPITAL PARTNERS V, L.P.

By: Globespan Management Associates V, L.P., its sole General Partner

By: Globespan Management Associates V, LLC, its sole General Partner

By: /s/ David Poltack
Name: David Poltack
Title: Authorized Signatory

[SIGNATURE PAGE TO REDFIN CORPORATION AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Glynn Emerging Opportunity Fund, L.P.
By: Glynn Capital Management LLC
Its: General Partner

By: /s/ David Glynn
Managing Director
Address: 3000 Sand Hill Road, 3-230
Menlo Park, CA 94025

Glynn Emerging Opportunity Fund II, L.P.
By: Glynn Management Evergreen LLC
Its: General Partner

By: /s/ David Glynn
Managing Director
Address: 3000 Sand Hill Road, 3-230
Menlo Park, CA 94025

Glynn Emerging Opportunity Fund II-A, L.P.
By: Glynn Management Evergreen LLC
Its: General Partner

By: /s/ David Glynn
Managing Director
Address: 3000 Sand Hill Road, 3-230
Menlo Park, CA 94025

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

GOTHIC CORPORATION
GOTHIC HSP CORPORATION
GOTHIC ERP LLC
GOTHIC JBD LLC

By: /s/ Alice E. Gould
Name: Alice E. Gould
Title: Investment Manager
DUMAC, Inc.
Authorized Agent

By: /s/ David Shumate
Name: David R. Shumate
Title: Executive Vice President
DUMAC, Inc.
Authorized Agent

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

GREYLOCK XII LIMITED PARTNERSHIP

By: Greylock XII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XII-A LIMITED PARTNERSHIP
By: Greylock XII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XII PRINCIPALS LLC
By: Greylock Management Corporation, Sole Member

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Treasurer

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Hadley Harbor Master Investors (Cayman) L.P.

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Hadley Harbor Master Investors (Cayman) L.P.
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Hartford Global Capital Appreciation Fund

By: Wellington Management Company, LLP,
as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Hartford Global Capital Appreciation Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

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jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

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INVESTORS:

Hartford Growth Opportunities HLS Fund

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Hartford Growth Opportunities HLS Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
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Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

MADRONA VENTURE FUND III, L.P.

By: Madrona Investment Partners III, L.P.
Its: General Partner

By: Madrona III General Partner, LLC
Its: General Partner

By: /s/ Paul Goodrich
Name: Paul Goodrich
Title: Managing Director

MADRONA VENTURE FUND III-A, L.P.

By: Madrona Investment Partners III, L.P.
Its: General Partner

By: Madrona III General Partner, LLC
Its: General Partner

By: /s/ Paul Goodrich
Name: Paul Goodrich
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Mid Cap Stock Fund

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Mid Cap Stock Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Mid Cap Stock Trust

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

Mid Cap Stock Trust
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

With a copy to:

WilmerHale
60 State St.
Boston, MA 02482
Attn: Jason L. Kropp
jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

The Hartford Capital Appreciation Fund

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

The Hartford Capital Appreciation Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

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jason.kropp@wilmerhale.com
Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

The Hartford Growth Opportunities Fund

By: Wellington Management Company, LLP, as investment adviser
/s/ Steven M. Hoffman
Name: Steven M. Hoffman

Title: Vice President and Counsel

The Hartford Growth Opportunities Fund
c/o Wellington Management Company, LLP
280 Congress Street
Boston, MA 02210
Attention: Emily Babalas
Telephone No: +1-617-790-7770 Fax No: +1-617-289-5699
Email Address: seclaw@wellington.com

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Facsimile: (617) 526-5000

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

TIGER GLOBAL PRIVATE INVESTMENT PARTNERS VII, L.P.

By: Tiger Global PIP Performance VII, L.P.
its general partner

By: Tiger Global PIP Management VII, Ltd.
its general partner

By: /s/ Steven Boyd
Steven D. Boyd, General Counsel

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

TOON TOOT SAWAN LP

By: Tewada Management LLC, its General Partner

By: /s/ Austin Ligon
Name: Austin Ligon, Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

T. ROWE PRICE NEW HORIZONS FUND, INC.
T. ROWE PRICE NEW HORIZONS TRUST
T. ROWE PRICE U.S. EQUITIES TRUST
Each fund, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Henry Ellenbogen
Name: Henry Ellenbogen
Title: Vice President

T. ROWE PRICE MEDIA & TELECOMMUNICATIONS FUND, INC.
TD MUTUAL FUNDS – TD ENTERTAINMENT & COMMUNICATIONS FUND

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Paul Greene II
Name: Paul Greene II
Title: Vice President

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn: Andrew Baek, Vice President
Email: Andrew_baek@troweprice.com
Phone: [omitted]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

WSI INVESTMENTS, INC.

By: /s/ Wanda M. Cook
Name: Wanda M. Cook
Title: President

[SIGNATURE PAGE TO REDFIN CORPORATION AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Variable Insurance Products Fund III: Growth Opportunities Portfolio

By: /s/ Kenneth Robins

Name: Kenneth Robins

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

VULCAN CAPITAL VENTURE CAPITAL I LLC

By: Vulcan Capital Venture Capital Management I LLC, its Manager

By: Vulcan Ventures Incorporated, its Managing Member

By: /s/ Susan Drake
Name: Susan Drake
Title: Vice President

VCVC III LLC

By: VCVC Management III LLC, its Manager

By: Cougar Investment Holdings LLC, its Manager

By: /s/ Susan Drake
Name: Susan Drake
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

/s/ Evan Feinberg
Evan Feinberg

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

/s/ Lee Fixel
Lee Fixel

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS

ORRICK INVESTMENTS 2007, LLC

By: _____
Name: _____
Title: _____

/s/ Alan C. Smith
Alan C. Smith

_____
Jerry Gnuschke

_____
Amit Mital

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

/s/ Selina Tobaccowala
Selina Tobaccowala

EXHIBIT A

INVESTORS

(Exhibit on File with the Company)

EXHIBIT B

T. Rowe Accounts

Wellington Accounts

Fidelity Parties

Lee Fixel

Evan Feinberg

REDFIN CORPORATION

AMENDMENT NO. 1 TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Amendment No. 1 to Amended and Restated Investors' Rights Agreement (this "***Amendment***") is made as of June 10, 2015 (the "***Effective Date***") by and among Redfin Corporation, a Delaware corporation (the "***Company***") and the undersigned Investors (the "***Undersigned Investors***") and amends in certain respects that certain Amended and Restated Investors' Rights Agreement (the "***Rights Agreement***"), dated as of December 15, 2014, previously entered into by and among the Company and the parties identified as "Investors" therein. Capitalized terms used but not defined in this Amendment shall have the meanings given to such terms in the Rights Agreement.

RECITALS

WHEREAS, in connection with a proposed tender offer to be conducted by Tiger Global Private Investment Partners IX, L.P. (***Tiger***") and Evan Feinberg (the "***Tender Offer***"), the Company has entered into a letter agreement with Tiger, pursuant to which it is required to amend the Rights Agreement such that Tiger shall be listed on Exhibit A and Exhibit B thereto.

WHEREAS, Section 3.4 of the Rights Agreement provides that the Rights Agreement may be amended or waived with the written consent of the Company and the holders of at least sixty-seven percent (67%) of the Registrable Securities then outstanding.

WHEREAS, the Undersigned Investors hold at least sixty-seven percent (67%) of the Registrable Securities then outstanding.

NOW, THEREFORE, the parties agree as follows:

1. Amendments.

(a) Exhibit A to the Rights Agreement is hereby amended to include Tiger as an "Investor."

(b) Exhibit B to the Rights Agreement is hereby amended and restated in its entirety to read as Exhibit A to this Amendment.

2. Governing Law. This Amendment will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to that body of laws pertaining to conflict of laws.

3. Severability. If any provision of this Amendment is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Amendment and the remainder of this Amendment shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Amendment. Notwithstanding the forgoing, if the value of this Amendment based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations

4. Full Force and Effect. Except as expressly modified by this Amendment, the terms of the Rights Agreement shall remain in full force and effect.

5. Counterparts; Facsimile. This Amendment may be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Pages Follow]

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

REDFIN CORPORATION

By: /s/ Glenn Kelman
Name: Glenn Kelman
Title: Chief Executive Officer

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

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

UNDERSIGNED INVESTORS

GLOBESPAN CAPITAL PARTNERS V, L.P.

By: Globespan Management Associates V, L.P.,
its sole General Partner

By: Globespan Management Associates V, LLC,
its sole General Partner

By: /s/ David Poltack
Name: David Poltack
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

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

UNDERSIGNED INVESTORS

ANNOX CAPITAL, LLC

By: /s/ Robert J. Mylod, Jr.
Name: Robert J. Mylod, Jr.
Title: Managing Member

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

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

UNDERSIGNED INVESTORS

DRAPER FISHER JURVETSON FUND IX, L.P.

By: /s/ John Fisher
Name: John Fisher
Title: Managing Director

DRAPER FISHER JURVETSON PARTNERS IX, LLC

By: /s/ John Fisher
Name: John Fisher
Title: Managing Member

DRAPER ASSOCIATES, L.P.

By: /s/ Timothy C. Draper
Name: Timothy C. Draper
Title: General Partner

DRAPER ASSOCIATES RISKMASTERS FUND II, LLC

By: /s/ Timothy C. Draper
Name: Timothy C. Draper
Title: Managing Member

DRAPER ASSOCIATES RISKMASTERS FUND III, LLC

By: /s/ Timothy C. Draper
Name: Timothy C. Draper
Title: Managing Member

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

UNDERSIGNED INVESTORS

/s/ Lee Fixel
Lee Fixel

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

UNDERSIGNED INVESTORS

GOTHIC CORPORATION
GOTHIC HSP CORPORATION
GOTHIC ERP LLC
GOTHIC JBD LLC

By: /s/ Alice E. Gould
Name: Alice E. Gould
Title: Investment Manager
DUMAC, Inc.
Authorized Agent

By: /s/ Gregory A. Hudgins
Name: Gregory A. Hudgins
Title: Head of Operations
DUMAC, Inc.
Authorized Agent

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

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UNDERSIGNED INVESTORS

GREYLOCK XII LIMITED PARTNERSHIP

By: Greylock XII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XII-A LIMITED PARTNERSHIP
By: Greylock XII GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Administrative Partner

GREYLOCK XII PRINCIPALS LLC
By: Greylock Management Corporation, Sole Member

By: /s/ Donald A. Sullivan
Donald A. Sullivan
Title: Treasurer

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

UNDERSIGNED INVESTORS

MADRONA VENTURE FUND III, L.P.

By: Madrona Investment Partners III, L.P.
Its: General Partner

By: Madrona III General Partner, LLC
Its: General Partner

By: /s/ Paul Goodrich
Name: Paul Goodrich
Title: Managing Director

MADRONA VENTURE FUND III-A, L.P.

By: Madrona Investment Partners III, L.P.
Its: General Partner

By: Madrona III General Partner, LLC
Its: General Partner

By: /s/ Paul Goodrich
Name: Paul Goodrich
Title: Managing Director

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

UNDERSIGNED INVESTORS

/s/ Alan C. Smith
Alan C. Smith

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

UNDERSIGNED INVESTORS

TIGER GLOBAL PRIVATE INVESTMENT PARTNERS VII, L.P.

By: Tiger Global PIP Performance VII, L.P.
its general partner

By: Tiger Global PIP Management VII, Ltd.
its general partner

By: /s/ Steven D. Boyd
Steven D. Boyd, General Counsel

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

UNDERSIGNED INVESTORS

/s/ Selina Tobaccowala
Selina Tobaccowala

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

UNDERSIGNED INVESTORS

TOON TOOT SAWAN LP
By: Tewada Management LLC, its General Partner

By: /s/ Austin Ligon
Name: Austin Ligon, Managing Member

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

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

UNDERSIGNED INVESTORS

VCVC III LLC

By: VCVC Management III LLC, its Manager

By: Cougar Investment Holdings LLC, its Manager

By: /s/ Susan Drake
Name: Susan Drake
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

UNDERSIGNED INVESTORS

VULCAN CAPITAL VENTURE CAPITAL I LLC

By: Vulcan Capital Venture Capital Management I LLC, its Manager

By: Vulcan Capital Venture Holdings Inc., its Managing Member

By: /s/ Susan Drake
Name: Susan Drake
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

UNDERSIGNED INVESTORS

WSI INVESTMENTS, INC.

By: /s/ Malcolm Mitchell
Name: Malcolm Mitchell
Title: Vice President and Treasurer

[SIGNATURE PAGE TO AMENDMENT NO. 1 TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

Exhibit A

Exhibit B to Amended and Restated Investors' Rights Agreement

Tiger Global Private Investment Partners IX, L.P.
T. Rowe Accounts
Wellington Accounts
Fidelity Parties
Lee Fixel
Evan Feinberg

REDFIN CORPORATION

AMENDED AND RESTATED
2004 EQUITY INCENTIVE PLAN

Originally Adopted November 5, 2004
Amended and Restated on December 22, 2005
Amended and Restated on May 4, 2006
Amended and Restated on August 29, 2006
Amended and Restated on June 28, 2007
Amended and Restated on November 9, 2009
Amended and Restated effective August 12, 2011
Amended and Restated effective June 17, 2013
Amended and Restated effective July 10, 2014
Amended and Restated effective October 29, 2014
Amended and Restated effective December 15, 2014
Amended and Restated effective May 11, 2016

TABLE OF CONTENTS

REDFIN CORPORATION

AMENDED AND RESTATED 2004 EQUITY INCENTIVE PLAN

1. PURPOSES.

(a) Eligible Stock Award Recipients. The persons eligible to receive Stock Awards are the Employees, Directors and Consultants of the Company and its Affiliates.

(b) Available Stock Awards. The purpose of the Plan is to provide a means by which eligible recipients of Stock Awards may be given an opportunity to benefit from increases in value of the Common Stock through the granting of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) stock bonuses, and (iv) restricted stock awards.

(c) General Purpose. The Company, by means of the Plan, seeks to retain the services of the group of persons eligible to receive Stock Awards, to secure and retain the services of new members of this group and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Affiliates.

2. DEFINITIONS.

"***Affiliate***" means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

"***Board***" means the Board of Directors of the Company.

"***Cause***" means a determination by the Company that the Participant has committed an act or acts constituting any of the following: (i) dishonesty, fraud, misconduct or negligence in connection with Company duties, (ii) unauthorized disclosure or use of the Company's confidential or proprietary information, (iii) misappropriation of a business opportunity of the Company, (iv) materially aiding a competitor of Company, (v) a felony conviction; or (vi) failure or refusal to attend to the duties or obligations of the Participant's position, or to comply with the Company's rules, policies or procedures.

"***Change in Control***" means (i) the consummation of a merger or consolidation of the Company with or into another entity or any other stock acquisition or corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation, stock acquisition or other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation, stock acquisition or other reorganization; or (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Committee***" means a committee of one or more members of the Board appointed by the Board in accordance with subsection 3(c).

"***Common Stock***" means the common stock of the Company.

"***Company***" means Redfin Corporation, a Delaware corporation.

"***Consultant***" means any person, including an advisor, (i) engaged by the Company or an Affiliate to render consulting or advisory services and who is compensated for such services, including members of any advisory board constituted by the Company, or (ii) who is a member of the Board of Directors of an Affiliate. However, the term "Consultant" shall not include either Directors who are not compensated by the Company for their services as Directors or Directors who are merely paid a director's fee by the Company for their services as Directors.

"***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or a Director will not constitute an interruption of Continuous Service. The Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave.

"***Director***" means a member of the Board of Directors of the Company.

"***Disability***" means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code.

"***Employee***" means any person employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

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

"***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows: (i) if such Common Stock is then publicly traded on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal*; (ii) if such Common Stock is publicly traded but is not listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported by *The Wall Street Journal* (or, if not so reported, as otherwise reported by any newspaper or other source as the Board may determine); or (iii) if none of the foregoing is applicable to the valuation in question, the Fair Market Value shall be determined in good faith by the Board.

"***Incentive Stock Option***" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

"***Listing Date***" means the first date upon which any security of the Company is listed upon notice of issuance on any securities exchange or designated upon notice of issuance on a nationally-recognized stock exchange or interdealer quotation system.

"***Nonstatutory Stock Option***" means an Option not intended to qualify as an Incentive Stock Option.

"***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

"***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

"***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

"***Participant***" means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

"***Plan***" means this 2004 Equity Incentive Plan, as amended from time to time.

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

"***Stock Award***" means any right granted under the Plan, including an Option, a stock bonus and a restricted stock grant.

"***Stock Award Agreement***" means a written agreement between the Company and a holder of a Stock Award evidencing the terms and conditions of an individual Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

"***Ten Percent Stockholder***" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock comprising more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

3. ADMINISTRATION.

(a) Administration by Board. The Board shall administer the Plan unless and until the Board delegates administration to a Committee, as provided in subsection 3(c). Whether or not the Board has delegated administration, the Board shall have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(b) Powers of Board. The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how each Stock Award shall be granted; what type or combination of types of Stock Award shall be granted; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Common Stock pursuant to a Stock Award; and the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(iii) To amend the Plan or a Stock Award as provided in Section 13.

(iv) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company that are not in conflict with the provisions of the Plan.

(c) Delegation to Committee. The Board may delegate administration of the Plan to a Committee or Committees of one (1) or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be deemed to be to the Committee or subcommittee, as appropriate), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

4. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to the provisions of Section 12 relating to adjustments upon changes in Common Stock, the Common Stock that may be issued pursuant to Stock Awards shall not in the aggregate exceed Eighty-Nine Million Six Hundred Fifty-One Thousand Six Hundred Two (89,651,602) shares of Common Stock.

(b) Reversion of Shares to the Share Reserve. If any Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, the shares of Common Stock not acquired under such Stock Award shall revert to and again become available for issuance under the Plan.

(c) Source of Shares. The shares of Common Stock subject to the Plan may be authorized but unissued shares or reacquired shares, bought on the market or otherwise.

5. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to Employees. Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants.

(b) Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock at the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants.

(i) A Consultant shall not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or the sale of the Company's securities to such Consultant is not exempt under Rule 701 of the Securities Act ("***Rule 701***") because of the nature of the services that the Consultant is providing to the Company, or because the Consultant is not a natural person, or as otherwise provided by

Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

(ii) Rule 701 is available to consultants and advisors only if (i) they are natural persons, (ii) they provide bona fide services to the issuer, its parents, its majority-owned subsidiaries or majority-owned subsidiaries of the issuer's parent, and (iii) the services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer's securities.

6. OPTION PROVISIONS.

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of subsection 5(b) regarding Ten Percent Stockholders, no Incentive Stock Option shall be exercisable after the expiration of ten (10) years from the date it was granted. The term of each Nonstatutory Stock Option shall be set forth in the Option Agreement.

(b) Exercise Price of an Incentive Stock Option. Subject to the provisions of subsection 5(b) regarding Ten Percent Stockholders, the exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Incentive Stock Option on the date the Option is granted. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

(c) Exercise Price of a Nonstatutory Stock Option. The exercise price of each Nonstatutory Stock Option shall be determined by the Board and set forth in the Option Agreement.

(d) Consideration. The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Option is exercised, or (ii) at the discretion of the Board at the time of the grant of the Option (or subsequently in the case of a Nonstatutory Stock Option) (A) by delivery to the Company of other Common Stock, (B) according to a deferred payment or other similar arrangement with the Optionholder, (C) pursuant to a cashless exercise provisions implemented by the Company in connection with the Plan, or (D) in any other form of legal consideration that may be acceptable to the Board. Unless otherwise specifically provided in the Option Agreement, the purchase price of Common Stock acquired pursuant to an Option that is paid by delivery to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that are clear of all liens, claims, encumbrances or security interests and for which the Company has received "full payment of the purchase price" within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares).

In the case of any deferred payment arrangement, interest shall be compounded at least annually and shall be charged at the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(e) Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(f) Transferability of a Nonstatutory Stock Option. A Nonstatutory Stock Option shall be transferable only to the extent provided in the Option Agreement (subject to applicable securities laws). Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(g) Vesting Generally. The total number of shares of Common Stock subject to an Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The provisions of this subsection 6(g) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

(h) Termination of Continuous Service. In the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Optionholder's Continuous Service (or such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein, the Option shall terminate.

(i) Extension of Termination Date. An Optionholder's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service (other than upon the Optionholder's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in subsection 6(a), or (ii) the expiration of a period of three (3) months after the termination of the Optionholder's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements.

(j) Disability of Optionholder. In the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months) or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein, the Option shall terminate.

(k) Death of Optionholder. In the event (i) an Optionholder's Continuous Service terminates as a result of the Optionholder's death or (ii) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionholder's death pursuant to subsection 6(e) or 6(f), but only within the period ending on the earlier of (A) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months) or (B) the expiration of the term of such Option as set forth in the Option Agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

(l) Early Exercise. The Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. The early purchase of any unvested shares of Common Stock will be pursuant to an Early Exercise Stock Purchase Agreement which may provide for a repurchase option and/or a right of first refusal in favor of the Company and other restrictions the Board determines to be appropriate. Any repurchase option so provided for will be subject to the Repurchase Limitation set forth in Section 11(g) herein.

(m) Right of Repurchase. Subject to the Repurchase Limitation in Section 11(g), the Option may, but need not, include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Optionholder pursuant to the exercise of the Option.

(n) Right of First Refusal. The Option may, but need not, include a provision whereby the Company may elect, prior to the Listing Date, to exercise a right of first refusal following receipt of notice from the Optionholder of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option.

7. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS.

(a) Stock Bonus Awards. Each stock bonus agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of stock bonus agreements may change from time to time, and the terms and conditions of separate stock bonus agreements need not be identical, but each stock bonus agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A stock bonus may be awarded in consideration for past services actually rendered to the Company or an Affiliate for its benefit.

(ii) Vesting; Right of Repurchase. Shares of Common Stock awarded under the stock bonus agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board. Such repurchase option is subject to the Repurchase Limitation set forth in Section 11(g).

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the stock bonus agreement.

(iv) Right of First Refusal. The stock bonus agreement may, but need not, include a provision whereby the Company may elect, prior to the Listing Date, to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock acquired pursuant to the stock bonus agreement.

(v) Transferability. Rights to acquire shares of Common Stock under the stock bonus agreement shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

(b) Restricted Stock Awards. Each restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of the restricted stock purchase agreements may change from time to time, and the terms and conditions of separate restricted stock purchase agreements need not be identical, but each restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Purchase Price. The purchase price under each restricted stock purchase agreement shall be such amount as the Board shall determine and designate in such restricted stock purchase agreement.

(ii) Consideration. The purchase price of Common Stock acquired pursuant to the restricted stock purchase agreement shall be paid either: (i) in cash at the time of purchase, (ii) at the discretion of the Board, according to a deferred payment or other similar arrangement with the Participant, (iii) through services rendered or to be rendered to the Company, or (iv) in any other form of legal consideration that may be acceptable to the Board in its discretion.

(iii) Vesting; Right of Repurchase. Shares of Common Stock acquired under the restricted stock purchase agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board. Such repurchase option is subject to the Repurchase Limitation set forth in Section 11(g).

(iv) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the restricted stock purchase agreement.

(v) Right of First Refusal. The restricted stock purchase agreement may, but need not, include a provision whereby the Company may elect, prior to the Listing Date, to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock acquired pursuant to the restricted stock purchase agreement.

(vi) Transferability. Common Stock acquired under the restricted stock purchase agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the restricted stock purchase agreement, as the Board shall determine in its discretion, so long as Common Stock awarded under the restricted stock purchase agreement remains subject to the terms of the restricted stock purchase agreement.

8. COVENANTS OF THE COMPANY.

(a) Availability of Shares. During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act or any state or local securities regulations, the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

9. USE OF PROCEEDS FROM STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

10. EFFECTIVE DATE OF PLAN.

This Plan, as Amended and Restated shall become effective on the date approved by the Board, but no Stock Award granted after the effective date shall be exercised (or, in the case of a stock bonus, shall be granted) unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

11. MISCELLANEOUS.

(a) Acceleration of Exercisability and Vesting. The Board shall have the power to accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(b) Stockholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Option Award unless and until such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms.

(c) No Employment or other Service Rights. Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(e) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award, and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (1) the issuance of the shares of Common Stock upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (2) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(f) Withholding Obligations. To the extent provided by the terms of a Stock Award Agreement, the Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under a Stock Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) tendering a cash payment, (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Stock Award, provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law, or (iii) delivering to the Company owned and unencumbered shares of Common Stock.

(g) Repurchase Limitation. The Company shall exercise any repurchase option specified in the Stock Award by giving the holder of the Stock Award written notice of intent to exercise the repurchase option. Payment may be cash or cancellation of indebtedness for the Common Stock. The terms of any repurchase option shall be specified in the Stock Award and may be either at (i) Fair Market Value at the time of repurchase or (ii) at the original purchase price. Unless otherwise determined by the Board and provided in the Stock Award, the Company's right to repurchase must be exercised by the Company by the later of (1) ninety (90) days after termination of Continuous Service, or (2) such longer period as may be agreed to by the Company and the Participant (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock").

(h) Golden Parachute Taxes. In the event that any amounts paid or deemed paid to a Participant under the Plan are deemed to constitute "excess parachute payments" as defined in Section 280G of the Code (taking into account any other payments made under the Plan and any other compensation paid or deemed paid to a Participant), or if any Participant is deemed to receive an "excess parachute payment" by reason of his or her vesting of Options pursuant to Section 12(c) herein, the amount of such payments or deemed payments shall be reduced (or, alternatively the provisions of Section 12(c) shall not act to vest options to such Participant), so that no such payments or deemed payments shall constitute excess parachute payments. The determination of whether a payment or deemed payment constitutes an excess parachute payment shall be in the sole discretion of the Board.

(i) Plan Unfunded. The Plan shall be unfunded. Except for the Board's reservation of a sufficient number of authorized shares to the extent required by law to meet the requirements of the Plan, the Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure payment of any Stock Award under the Plan.

12. ADJUSTMENTS UPON CHANGES IN STOCK.

(a) Capitalization Adjustments. In the event that any dividend or other distribution (whether in the form of cash, shares of the Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may, in its sole discretion, adjust the number and class of Common Stock that may be delivered under the Plan and/or the number, class, and price of Common Stock covered by each outstanding Stock Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Board will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, a Stock Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. Except as may otherwise be provided in an Optionholder's Option Agreement:

(i) In the event of a Change in Control: (1) any surviving corporation shall assume any Stock Awards outstanding under the Plan or shall substitute similar stock awards (including an award to acquire the same type of consideration issued to the stockholders in the transaction described in this subsection 12(c)) for those outstanding under the Plan, or (2) such Stock Awards shall continue in full force and effect. In the event any surviving corporation refuses to assume or continue such Stock Awards, or to substitute similar stock awards for those outstanding under the Plan, then with respect to Stock Awards held by Participants whose Continuous Service has not terminated, and unless the Board provides otherwise, the time during which such Stock Awards may be exercised automatically will be accelerated and the Stock Award shall become fully vested and exercisable immediately prior to the consummation of such transaction, and the Stock Awards shall automatically terminate upon consummation of such transaction if not exercised prior to such event. The Board shall not be required to treat all Stock Awards similarly in the transaction.

(ii) Following a Change in Control, any Stock Awards or replacement awards that are held by a Participant shall have the vesting and exercise schedule associated with such Stock Awards or replacement awards accelerated by twelve (12) months. In addition, with respect to any Stock Award granted prior to August 29, 2006, the provisions of Section 12(c)(ii) of the Plan as in effect on that date shall also apply to such Stock Awards.

(d) No Limitations. The grant of Stock Awards will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

13. AMENDMENT OF THE PLAN AND STOCK AWARDS.

(a) Amendment of Plan. The Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 12 relating to adjustments upon changes in Common Stock, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy the applicable requirements of Section 422 of the Code.

(b) Stockholder Approval. The Board may, in its sole discretion, submit any amendment to the Plan for stockholder approval.

(c) Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(d) No Impairment of Rights. Rights under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

(e) Amendment of Stock Awards. The Board at any time, and from time to time, may amend the terms of any one or more Stock Awards; provided, however, that the rights under any Stock Award shall not be impaired by any such amendment unless the Participant consents thereto in writing.

14. TERMINATION OR SUSPENSION OF THE PLAN.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the date this Plan, as Amended and Restated and approved by the Board or approved by the stockholders of the Company, whichever is earlier. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the Participant.

15. CHOICE OF LAW.

The law of the State of Washington shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of laws rules.

16. SPECIAL PROVISIONS RELATING TO CALIFORNIA RESIDENTS.

Notwithstanding anything to the contrary herein, the following provisions shall govern all Options (referred to herein as "***California Options***") granted under the Plan and shares sold (referred to herein as "***California Restricted Stock Awards***") to residents of the State of California. The grant of California Options and California Restricted Stock Awards are intended to be exempt from the securities qualifications requirements of the California law by satisfying the exemption under Section 25102(o) of the California Corporate Securities law of 1968 ("***Section 25102(o)***"). Section 25102(o) provides an exemption under the Securities Act for the offer or sale of any security issued by a corporation or limited liability company pursuant to a purchase plan, option plan or agreement pursuant to Rule 701, provided that (1) the terms of such purchase plan or agreement comply with Sections 260.140.42, 260.140.45 and 260.140.46 of Title 10 of the California Code of Regulations ("***California Regulations***"), (2) the terms of any option plan or agreement comply with Sections 260.140.41, 260.140.45 and 260.140.46 of the California Regulations, and (3) the issuer files a notice of transaction no later than 30 days after the initial

issuance of any security under that plan, accompanied by a filing fee. When issuing California Options and California Restricted Stock Awards, the Company shall indicate on the securities that they are issued subject to these special provisions. However, California Options and California Restricted Stock Award may be awarded in reliance upon other state securities law exemptions. To the extent that such other exemptions are relied upon, the terms of this Plan which are included only to comply with Section 25102(o) shall be disregarded to the extent provided in the Stock Option Agreement for the Stock Purchase Agreement.

REDFIN CORPORATION
STOCK OPTION GRANT NOTICE
(Amended and Restated 2004 Equity Incentive Plan)

Redfin Corporation (the "Company"), pursuant to its Amended and Restated 2004 Equity Incentive Plan (the "Plan"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below (the "Grant"). This option is subject to all of the terms and conditions as set forth herein and in that certain Stock Option Agreement between the Company and Optionholder (the "Stock Option Agreement"), the Plan, and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety.

Optionholder:	
Date of Grant:	
Vesting Commencement Date:	
Number of Shares Subject to Option:	
Exercise Price (Per Share):	
Total Exercise Price:	
Expiration Date:	

Type of Grant: ☐ Incentive Stock Option ☐ Nonstatutory Stock Option

Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted

Vesting Terms: Option vests 25% on the one-year anniversary of the Vesting Commencement Date set forth above and an additional 1/48th (2.0833%) of the total option grant vests each month thereafter, with 100% of the total option vested on the four-year anniversary of the Vesting Commencement Date.

Payment: By one or a combination of the following items (described in the Stock Option Agreement):

☒ By cash or check
☐ Pursuant to a Regulation T Program if the Shares are publicly traded
☐ By delivery of already-owned shares if the Shares are publicly traded
☐ By deferred payment

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Stock Option Agreement, the Plan and the Notice of Exercise. Optionholder further acknowledges that as of the Date of Grant, this Grant Notice, the Stock Option Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of the stock in the Company underlying the Grant and supersede all prior oral and written agreements relating to the Grant.

REDFIN CORPORATION

By: _____
Signature

Name: _____

Title: _____ Date: _____

Date: _____

OPTIONHOLDER

_____
Signature

Name: _____

SENT SEPARATELY VIA EMAIL: Stock Option Agreement, Equity Incentive Plan, Notice of Exercise

STOCK OPTION AGREEMENT
(Incentive and Nonstatutory Stock Options)
Under
REDFIN CORPORATION
AMENDED AND RESTATED 2004 EQUITY INCENTIVE PLAN

Pursuant to your Stock Option Grant Notice ("Grant Notice") and this Stock Option Agreement by and between Redfin Corporation (the "Company") and the Optionholder named on the signature page hereto, the Company has granted you an option under its Amended and Restated 2004 Equity Incentive Plan (the "Plan") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. Defined terms not explicitly defined in this Stock Option Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option are as follows:

1. VESTING. Subject to the limitations contained herein, your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share referenced in your Grant Notice may be adjusted from time to time for capitalization adjustments, as provided in the Plan.

3. EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). If permitted in your Grant Notice (i.e., the "Exercise Schedule" indicates that "Early Exercise" of your option is permitted) and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the nonvested portion of your option; provided, however, that:

(a) a partial exercise of your option shall be deemed first to cover vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise shall be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you shall enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an incentive stock option, then, as provided in the Plan, to the extent that the aggregate Fair Market Value (determined at the time of grant) of the shares of Common Stock with respect to which your option plus all other incentive stock options you hold

are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as nonstatutory stock options.

4. METHOD OF PAYMENT. Payment of the exercise price (in the amount provided in the Grant Notice) is due in full upon exercise of all or any part of your option. You may elect to make payment of the exercise price in cash or by check or in any other manner permitted by your Grant Notice, which may include one or more of the following:

(a) Payment pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This payment method would be in the Company's sole discretion at the time your option is exercised and would be on condition that, at the time of exercise, the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal*.

(b) Payment by delivery shares of Common Stock owned by you that you have held for the period required to avoid a charge to the Company's reported earnings (generally six months) or that you did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. This payment method would be on condition that, at the time of exercise, the Common Stock is publicly traded and quoted regularly in *The Wall Street Journal*. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, shall include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. Notwithstanding the foregoing, you may not exercise your option by tender to the Company of Common Stock to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(c) Payment pursuant to the following deferred payment alternative:

(i) Not less than one hundred percent (100%) of the aggregate exercise price, plus accrued interest, shall be due four (4) years from date of exercise or, at the Company's election, upon termination of your Continuous Service.

(ii) Interest shall be compounded at least annually and shall be charged at the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any portion of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(iii) In order to elect the deferred payment alternative, you must, as a part of your written notice of exercise, give notice of the election of this payment alternative and, in order to secure the payment of the deferred exercise price to the Company hereunder, if the Company so requests, you must tender to the Company a promissory note and a security

agreement covering the purchased shares of Common Stock, both in form and substance satisfactory to the Company, or such other or additional documentation as the Company may request.

5. WHOLE SHARES. You may exercise your option only for whole shares of Common Stock.

6. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the shares of Common Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Common Stock are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option must also comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

7. TERM. The term of your option commences as of the date hereof and expires on the earlier of (a) the date set forth in the Grant Notice and (b) theten-year anniversary of the date hereof.

8. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by delivering a Notice of Exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an incentive stock option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the date of your option grant or within one (1) year after such shares of Common Stock are transferred to you upon exercise of your option.

(d) By exercising your option you agree that in connection with any registration of the Company's securities that, upon the request of the Company or the underwriters managing any registered public offering of the Company's securities, you will not sell or otherwise dispose of any shares of the Common Stock without the prior written consent of the Company or such managing underwriters, as the case may be, for a period of time (not to

exceed 180 days) after the effective date of such registration and subject to all restrictions as the Company or the managing underwriters may specify for employee-shareholders generally. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period.

(e) THE EXERCISE PRICE PER SHARE HAS BEEN SET AT THE FAIR MARKET VALUE OF THE COMPANY'S SHARES OF COMMON STOCK ON THE DATE OF GRANT IN GOOD FAITH COMPLIANCE WITH THE APPLICABLE GUIDANCE ISSUED BY THE IRS UNDER SECTION 409A OF THE CODE IN ORDER TO AVOID THE OPTION BEING TREATED AS DEFERRED COMPENSATION UNDER SECTION 409A OF THE CODE. HOWEVER, THERE IS NO GUARANTEE THAT THE IRS WILL AGREE WITH THE VALUATION AND, BY SIGNING THIS STOCK OPTION AGREEMENT, YOU AGREE AND ACKNOWLEDGE THAT THE COMPANY SHALL NOT BE HELD LIABLE FOR ANY APPLICABLE COSTS, TAXES OR PENALTIES ASSOCIATED WITH THE OPTION IF, IN FACT, THE IRS WERE TO DETERMINE THAT THE OPTION CONSTITUTES DEFERRED COMPENSATION UNDER SECTION 409A OF THE CODE. YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISOR CONCERNING THE TAX CONSEQUENCES OF SUCH A DETERMINATION BY THE IRS.

9. TRANSFERABILITY. Your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise your option.

10. RIGHT OF REPURCHASE. If your Continued Service with the Company is terminated, the Company, or its assignee, shall have the option to repurchase from you all (but not less than all, unless you consent) of the shares of Common Stock that you acquire upon exercise of your option ("Option Shares") on the terms and conditions set forth in this Section 10 (the "Repurchase Option").

10.1 Exercise of Repurchase Option. If your Continuous Service is terminated other than for Cause, the Company may exercise the Repurchase Option by giving you written notice before the later of (i) ninety (90) days after termination of Continuous Service, (ii) the end of the Repurchase Blackout Period as defined in the Plan, or (iii) such longer period as may be agreed to by the Company and you (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock"). In such case of termination other than for Cause, the Company will not be entitled to exercise the Repurchase Option at any time after the Listing Date, as defined in the Plan. If your Continuous Service is terminated for Cause, the repurchase option may be exercised by the Company by giving you written notice within ninety (90) days of the date your Continuous Service is terminated or such longer period as may be agreed to by the Company and you (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock").

10.2 Calculation of Repurchase Price. If your Continuous Service is terminated other than for Cause, the price to the Company to purchase your Option Shares shall be their then Fair Market Value. The Fair Market Value shall be determined in good faith by the Board and the Board's determination shall be final. If your Continuous Service is terminated for Cause, the price to the Company to purchase your Option Shares shall be their original purchase price.

10.3 Payment of Repurchase Price. The repurchase price shall be payable, at the option of the Company or its assignee(s), by check or by cancellation of all or a portion of any of your outstanding indebtedness to the Company (or to such assignee) or by any combination thereof. The first twenty-five thousand dollars ($25,000.00) of the purchase price for the Common Stock to be repurchased shall be payable within sixty days (60) of the date that the Company gives written notice to you that it intends to exercise the Repurchase Option, the balance to be paid in four (4) equal annual installments commencing on the first anniversary of the repurchase bearing interest at the lowest rate that avoids imputation of interest under the Code. The Company shall withhold from any payment made to you upon exercise of the Repurchase Option any federal, state and local income and FICA taxes required to be withheld by the Company in respect of any such payment.

11. JOINDER AGREEMENT. Upon execution of this agreement and as a condition to receiving the options, you shall have executed and delivered to the Company the Joinder Agreement in the form attached hereto as Exhibit A, pursuant to which you shall be bound by all provisions of each of the Voting Agreement and ROFR Agreement (each as defined in the Joinder Agreement) in the capacity of Common Holder as defined in such agreements.

12. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option shall obligate the Company or an Affiliate, their respective shareholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your option.

(b) Upon your request and subject to approval by the Company, in its sole discretion, and compliance with any applicable conditions or restrictions of law, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law. If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company shall have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein.

14. NOTICES. Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

15. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.

(Signature Page Follows)

REDFIN CORPORATION

By: _____
Signature

Name: _____

Title: _____

Date: _____

OPTIONHOLDER

_____
Signature

Name: _____

Date: _____

EXHIBIT A

JOINDER AGREEMENT

FOR

THE VOTING AGREEMENT

AND

THE RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

The undersigned joining party hereby agrees to become a party to: (1) that certain Amended and Restated Voting Agreement dated as of December 15, 2014, by and among Redfin Corporation, a Delaware corporation (the "Company"), the holders of shares of the Company's common stock, par value $0.001 per share ("Common Stock"), or options to purchase shares of Common Stock ("Options"), listed on Exhibit A thereto (individually, a "Common Holder" and collectively, the "Common Holders"), and the investors listed on Exhibit B thereto, as amended from time to time in accordance with its terms (the "Voting Agreement"); and (2) that certain Amended and Restated Right of First Refusal and Co-Sale Agreement (the "ROFR Agreement") dated as of December 15, 2014 by and among the Company, David Eraker (the "Founder"), the holders of shares of the Common Stock or Options listed on Exhibit A thereto (individually, a "Common Holder" and collectively, the "Common Holders"), and the investors listed on Exhibit B thereto, and to be bound by all provisions of each of the Voting Agreement and ROFR Agreement in the capacity of Common Holder as defined therein.

This Joinder Agreement shall take effect and shall become a part of each of the Voting Agreement and ROFR Agreement, and Exhibit A to each such agreement shall be amended and restated upon execution by any person of this Joinder Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Joinder Agreement as of the date set forth below:

COMMON HOLDER

_____

Name: _____

Email: _____

Date: _____

REDFIN CORPORATION

NOTICE OF EXERCISE
OF
STOCK OPTION

To: Redfin Corporation (the "Company")

The undersigned hereby exercises stock option granted on by the Company's Board of Directors pursuant to its Amended and Restated 2004 Equity Incentive Plan and the Stock Option Agreement to purchase shares of Common Stock of the Company (the "Option Shares") at a price of $ per Share, for a total purchase price of $.

Payment method (See Section 4 of your Stock Option Agreement and consult with management if other than cash or check):

- ☐ Cash or check
- ☐ By Regulation T Program (shares must be publicly traded)
- ☐ Delivery of already-owned shares (shares must be publicly traded)
- ☐ Deferred payment

Details: _____

_____

The undersigned represents that the Option Shares are being acquired for the account of the undersigned for investment and not with a view to or for resale in connection with the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares in violation of applicable state or federal securities laws.

The undersigned acknowledges that the Option Shares are subject to restrictions on transfer and a right of first refusal in favor of the Company as set forth in the Stock Option Agreement and may not be sold or otherwise transferred without the Company's prior written consent**.** So long as such restrictions are in place, the undersigned acknowledges and agrees that the certificates representing the Option Shares (and all shares issued in respect thereof) will bear a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SALE OR DISPOSITION MAY BE MADE WITHOUT AN EFFECTIVE REGISTRATION STATEMENT COVERING SAID SHARES OR DELIVERY TO THE ISSUER OF AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933 AND THE SECURITIES LAWS OF ANY STATE HAVING JURISDICTION OVER SUCH SALE OR DISTRIBUTION.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON RESALE, TRANSFER, RIGHT OF REPURCHASE AND RIGHT OF FIRST REFUSAL OPTIONS HELD BY THE ISSUER AND/OR ITS ASSIGNEE(S) AS SET FORTH IN A STOCK OPTION AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH SALE AND TRANSFER RESTRICTIONS AND THE RIGHT OF REPURCHASE AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

By this exercise, the undersigned agrees (i) to provide for the payment by the undersigned to the Company (in the manner designated by the Company) of the Company's withholding obligation, if any, relating to the exercise of the foregoing Stock Option and (ii) if this exercise relates to an Incentive Stock Option, to notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Option Shares that occurs within two (2) years after the grant date of such Stock Option or within one (1) year after the date of payment by the undersigned of the exercise price contemplated hereby.

DATE

SIGNATURE

PRINT NAME

Address:

Social Security No.:

ACCEPTED BY COMPANY

By:
Name:
Its:

Date:

Exhibit 10.4

Redfin Corporation Amended & Restated Employment Offer Letter

June 27, 2017

Glenn Kelman
C/O Redfin Corporation
1099 Stewart St., Suite 600
Seattle, WA 98101

Dear Glenn:

This letter agreement amends and restates the employment offer letter entered into between you and Redfin Corporation ("Redfin"), dated September 27, 2005 (the "Prior Agreement").

We are pleased to have you continue to work in the full time position with our organization as our Chief Executive Officer in Seattle, Washington.

Your title, assignment, compensation, and the nature of your responsibilities may change from time to time at Redfin's discretion. You will also be expected to comply with Redfin's rules, policies and procedures, which may be modified from time to time. The terms of your employment are detailed below.

COMPENSATION: Your gross salary annualized over one year will be $250,000, subject to appropriate tax withholdings and deductions, and payable in accordance with Redfin's normal payroll cycle. You are classified as an exempt employee and your salary is intended to compensate you for all hours worked. Increases are based on your and Redfin's performance and are not guaranteed. This is a full-time position.

EXECUTIVE BONUS PLAN: Subject to the terms and conditions of Redfin's Executive Bonus Plan, you may be eligible to earn an annual bonus based on Redfin's satisfaction of a minimum revenue target and achievement of certain performance metrics pre-established by the Compensation Committee of Redfin's Board of Directors. The Executive Bonus Plan is subject to change as further described therein.

STOCK OPTIONS: Redfin acknowledges that it has previously issued equity awards to you under Redfin's 2004 Equity Incentive Plan. Nothing in this letter agreement will amend or affect the terms of such awards.

AT-WILL EMPLOYMENT: The employment relationship between you and Redfin is and will continue to be at-will. This means that the employment relationship is for no specific term and may be terminated by either you or Redfin at any time for any or no reason, with or without advance notice. This letter and the Employee Assignment, Arbitration and Confidentiality Agreement ("Proprietary Information Agreement") supersede the Prior Agreement and any previous arrangements, both oral and written, expressed or implied, regarding the nature of your employment with Redfin. The at-will employment relationship cannot be changed or modified orally, and may only be modified by a formal written employment contract signed by you and the Company's Board of Directors, expressly modifying the at-will employment relationship.

BENEFITS & OTHER REDFIN POLICIES: During your employment, you may be eligible for employee benefits consistent with Redfin's practices and in accordance with the terms of applicable benefit plans as they currently exist and subject to any future modifications in Redfin's discretion. You agree to follow Redfin's rules and policies. Please understand that Redfin reserves the right to modify, supplement, and discontinue all policies, rules, benefit plans and programs at any time and in its sole discretion.

PROPRIETARY INFORMATION AGREEMENT: The protection of confidential and proprietary information relating to Redfin's business and operations is and will continue to be of central importance to Redfin. For this reason, your prior agreement to the terms and conditions set forth in the Proprietary Information Agreement, previously executed by you, will remain in effect.

Withholdings: All forms of compensation paid to you as an employee of Redfin will be less all applicable withholdings.

Sincerely,

REDFIN CORPORATION

ACCEPTED:

/s/ Glenn Kelman	6/27/17
Glenn Kelman	Date

Redfin Corporation Amended & Restated Employment Offer Letter

June 27, 2017

Bridget Frey
C/O Redfin Corporation
1099 Stewart St., Suite 600
Seattle, WA 98101

Dear Bridget:

This letter agreement amends and restates the employment offer letter entered into between you and Redfin Corporation ("Redfin"), dated May 31, 2011 (the "Prior Agreement").

We are pleased to have you continue to work in the full time position with our organization as our Chief Technology Officer in Seattle, Washington.

Your title, assignment, compensation, and the nature of your responsibilities may change from time to time at Redfin's discretion. You will also be expected to comply with Redfin's rules, policies and procedures, which may be modified from time to time. The terms of your employment are detailed below.

COMPENSATION: Your gross salary annualized over one year will be $250,000, subject to appropriate tax withholdings and deductions, and payable in accordance with Redfin's normal payroll cycle. You are classified as an exempt employee and your salary is intended to compensate you for all hours worked. Increases are based on your and Redfin's performance and are not guaranteed. This is a full-time position.

EXECUTIVE BONUS PLAN: Subject to the terms and conditions of Redfin's Executive Bonus Plan, you may be eligible to earn an annual bonus based on Redfin's satisfaction of a minimum revenue target and achievement of certain performance metrics pre-established by the Compensation Committee of Redfin's Board of Directors. The Executive Bonus Plan is subject to change as further described therein.

STOCK OPTIONS: Redfin acknowledges that it has previously issued equity awards to you under Redfin's 2004 Equity Incentive Plan. Nothing in this letter agreement will amend or affect the terms of such awards.

AT-WILL EMPLOYMENT: The employment relationship between you and Redfin is and will continue to be at-will. This means that the employment relationship is for no specific term and may be terminated by either you or Redfin at any time for any or no reason, with or without advance notice. This letter and the Employee Assignment, Arbitration and Confidentiality Agreement ("Proprietary Information Agreement") supersede the Prior Agreement and any previous arrangements, both oral and written, expressed or implied, regarding the nature of your employment with Redfin. The at-will employment relationship cannot be changed or modified orally, and may only be modified by a formal written employment contract signed by you and the CEO of Redfin, expressly modifying the at-will employment relationship.

BENEFITS & OTHER REDFIN POLICIES: During your employment, you may be eligible for employee benefits consistent with Redfin's practices and in accordance with the terms of applicable benefit plans as they currently exist and subject to any future modifications in Redfin's discretion. You agree to follow Redfin's rules and policies. Please understand that Redfin reserves the right to modify, supplement, and discontinue all policies, rules, benefit plans and programs at any time and in its sole discretion.

PROPRIETARY INFORMATION AGREEMENT: The protection of confidential and proprietary information relating to Redfin's business and operations is and will continue to be of central importance to Redfin. For this reason, your prior agreement to the terms and conditions set forth in the Proprietary Information Agreement, previously executed by you, will remain in effect.

Withholdings: All forms of compensation paid to you as an employee of Redfin will be less all applicable withholdings.

Sincerely,

REDFIN CORPORATION

ACCEPTED:

/s/ Bridget Frey	6/27/17
Bridget Frey	Date

Redfin Corporation Amended & Restated Employment Offer Letter

June 27, 2017

Scott Nagel
C/O Redfin Corporation
1099 Stewart St., Suite 600
Seattle, WA 98101

Dear Scott:

This letter agreement amends and restates the employment offer letter entered into between you and Redfin Corporation ("Redfin"), dated June 14, 2007 (the "Prior Agreement").

We are pleased to have you continue to work in the full time position with our organization as our President of Real Estate Operations in Seattle, Washington.

Your title, assignment, compensation, and the nature of your responsibilities may change from time to time at Redfin's discretion. You will also be expected to comply with Redfin's rules, policies and procedures, which may be modified from time to time. The terms of your employment are detailed below.

COMPENSATION: Your gross salary annualized over one year will be $250,000, subject to appropriate tax withholdings and deductions, and payable in accordance with Redfin's normal payroll cycle. You are classified as an exempt employee and your salary is intended to compensate you for all hours worked. Increases are based on your and Redfin's performance and are not guaranteed. This is a full-time position.

EXECUTIVE BONUS PLAN: Subject to the terms and conditions of Redfin's Executive Bonus Plan, you may be eligible to earn an annual bonus based on Redfin's satisfaction of a minimum revenue target and achievement of certain performance metrics pre-established by the Compensation Committee of Redfin's Board of Directors. The Executive Bonus Plan is subject to change as further described therein.

STOCK OPTIONS: Redfin acknowledges that it has previously issued equity awards to you under Redfin's 2004 Equity Incentive Plan. Nothing in this letter agreement will amend or affect the terms of such awards.

AT-WILL EMPLOYMENT: The employment relationship between you and Redfin is and will continue to be at-will. This means that the employment relationship is for no specific term and may be terminated by either you or Redfin at any time for any or no reason, with or without advance notice. This letter and the Employee Assignment, Arbitration and Confidentiality Agreement ("Proprietary Information Agreement") supersede the Prior Agreement and any previous arrangements, both oral and written, expressed or implied, regarding the nature of your employment with Redfin. The at-will employment relationship cannot be changed or modified orally, and may only be modified by a formal written employment contract signed by you and the CEO of Redfin, expressly modifying the at-will employment relationship.

BENEFITS & OTHER REDFIN POLICIES: During your employment, you may be eligible for employee benefits consistent with Redfin's practices and in accordance with the terms of applicable benefit plans as they currently exist and subject to any future modifications in Redfin's discretion. You agree to follow Redfin's rules and policies. Please understand that Redfin reserves the right to modify, supplement, and discontinue all policies, rules, benefit plans and programs at any time and in its sole discretion.

PROPRIETARY INFORMATION AGREEMENT: The protection of confidential and proprietary information relating to Redfin's business and operations is and will continue to be of central importance to Redfin. For this reason, your prior agreement to the terms and conditions set forth in the Proprietary Information Agreement, previously executed by you, will remain in effect.

Withholdings: All forms of compensation paid to you as an employee of Redfin will be less all applicable withholdings.

Sincerely,

REDFIN CORPORATION

ACCEPTED:

/s/ Scott Nagel	6/27/17
Scott Nagel	Date

Exhibit 10.7

AMENDED AND RESTATED

OFFICE LEASE

BY AND BETWEEN

HUDSON 1099 STEWART STREET, LLC,

as Landlord,

and

REDFIN CORPORATION,

as Tenant

TABLE OF CONTENTS

AMENDED AND RESTATED OFFICE LEASE

THIS AMENDED AND RESTATED OFFICE LEASE (**"Lease"**), dated effective as of May 9, 2016 (the "**Effective Date**"), is made by and between HUDSON 1099 STEWART STREET, LLC, a Delaware limited liability company ("**Landlord**"), as successor-in-interest to HILL7 DEVELOPERS, LLC, a Delaware limited liability company ("**Prior Landlord**"), and REDFIN CORPORATION, a Delaware corporation ("**Tenant**"). This Lease amends and restates the terms of the Office Lease between Tenant and Prior Landlord dated May 9, 2016, and is made effective as of the Effective Date.

1. Basic Provisions.

This Section contains a summary of certain basic terms of this Lease (the "**Basic Provisions**") all of which are to be interpreted in conjunction with the balance of this Lease.

Premises:	On the Commencement Date, approximately 84,703 rentable square feet on the 5th, 6th, and 7th floors (the "**Initial Premises**"), expanding on January 1, 2019 (the "**Expansion Date**") to include approximately 28,287 rentable square feet on the 4th floor (the "**Expansion Premises**"), for a total of approximately 112,990 rentable square feet, all as generally outlined on Exhibit A (the Initial Premises, together with the Expansion Premises effective on the Expansion Date, are herein referred to as the "**Premises**").
Building:	The mixed use building (the "**Building**") commonly known as Hill7, located in Seattle, Washington, on the land legally described on Exhibit B (the "**Land**"). The Building and related improvements and the Land are collectively referred to as the "**Project.**"
Term:	10 years and 6 months ("**Initial Term**") plus 2 options to extend the Initial Term for additional terms (each an "**Extension Term**") for 7 years each. The Initial Term and any Extension Terms validly exercised are referred to as the "**Term.**"
Initial Premises Delivery Date:	The earlier of (i) the date on which Tenant accepts possession of the Initial Premises and (ii) July 1, 2016.
Commencement Date:	The earlier of (i) the date on which Tenant commences business operations in any portion of the Premises and (ii) February 1, 2017.
Expansion Premises Delivery Date:	The earlier of (i) the date on which Tenant accepts possession of the Expansion Premises and (ii) August 1, 2018.
Expansion Premises Commencement Date:	The earlier of (i) the date on which Tenant commences business operations in the Expansion Premises and (ii) the date that is 150 days after the Expansion Premises Delivery Date, unless otherwise mutually agreed to by Landlord and Tenant.
Expiration Date:	The date that is 10 years and 6 months from the Commencement Date; provided, however, that the Term shall end on the last day of the 126th full calendar month after the month in which the Commencement Date occurs.
Base Rent:	Tenant shall pay the following sums in accordance with Section 4.1 of this Lease ("**Base Rent**"):

Time Period	Annual Base Rent per Square Foot of Rentable Area	
Months 1 – 6	Net Relief Rent*	$ TBD
Months 7 – 12	$ 35.00	$247,050.42/mo
Months 13 – 23	$ 36.00	$254,109.00/mo
Month 24**	$ 36.00	$338,970.00/mo
Months 25 – 36	$ 37.00	$348,385.83/mo
Months 37 – 48	$ 38.00	$357,801.67/mo
Months 49 – 60	$ 39.00	$367,217.50/mo
Months 61 – 72	$ 40.00	$376,633.33/mo
Months 73 – 84	$ 41.00	$386,049.17/mo
Months 85 – 96	$ 42.00	$395,465.00/mo
Months 97 – 108	$ 43.00	$404,880.83/mo
Months 109 – 120	$ 44.00	$414,296.67/mo
Months 121 – 126	$ 45.00	$423,712.50/mo

* Base Rent and Tenant's Share of Operating Expenses for the Initial Premises shall be abated for the first 6 months of the Term; provided, however, that on or before the Commencement Date, Tenant shall pay to Landlord the Net Relief Payment described in Section 4.2 (if any).

** The above Base Rent schedule is estimated based on a Commencement Date of February 1, 2017, and the addition of the Expansion Premises on January 1, 2019. The above Base Rent schedule will be updated upon execution and delivery of the Commencement Date Certificate as provided in Section 3.3.

Tenant's Share: Initially estimated to be 29.65% based on the Initial Premises. From and after the date that the Expansion Premises are added to the Premises, Tenant's share is estimated to be 39.55%. The actual Tenant's Share shall be determined under Section 4.4.

Prepaid Rent: $331,753.42* as Base Rent and estimated Operating Expenses for the first month in which such sums are payable ("**Prepaid Rent**") is due from Tenant upon execution of this Lease.

*The Operating Expense portion of the Prepaid Rent is $12.00 per RSF per year based on the 2016 estimated Operating Expense amount.

Parking Passes: Tenant shall have the right (but not an obligation) to Parking Passes for use of unreserved parking spaces in the Building garage based on 1 Parking Pass per each 1,000 rentable square feet of the Premises (i.e., for 112,990 total rentable square feet, one hundred thirteen (113) passes) ("**Tenant's Guaranteed Parking Passes**"). Tenant may vary the total number of Parking Passes used by it and its employees once in every three (3) month period, up to the maximum number provided above. The rate for each Parking Pass shall be at the fair market monthly rate plus applicable taxes, which, as of the date of this Lease is Two Hundred Ninety-Five and no/100s Dollars ($295.00) (the rate for motorcycle parking shall be 60% of the fair market monthly rate for car parking); provided, such monthly rate shall be no more than the fair market monthly rate being charged for comparable parking garages located within a three (3) block radius of the Building; provided, further, that the monthly rate shall not increase more frequently than once in any twelve month period.

Tenant Improvements:	Tenant shall complete the initial Tenant Improvements as provided in Exhibit C.
Allowance:	Landlord shall provide an allowance to complete the initial Tenant Improvements in the amount of $100.00 per rentable square foot of the Premises ("**Allowance**") as provided in Exhibit C. Tenant shall be responsible for all costs in excess of the Allowance except as otherwise set forth in Exhibit C. Further, Tenant shall complete the initial Tenant Improvements and use the Allowance (or so much thereof that Tenant is entitled to) as provided in Exhibit C.
Security Deposit:	$5,423,712.50 is due from Tenant upon execution of this Lease as a security deposit ("**Security Deposit**").
Letter of Credit Option:	Tenant shall have the right to reduce the amount of the Security Deposit to $423,712.50 by delivering to Landlord an irrevocable and unconditional letter of credit ("**Letter of Credit**") in the amount of $5,000,000 (which amount shall be subject to reduction in accordance with Exhibit E, Section 42.4) and issued by a bank or other financial institution that is acceptable to Landlord in its reasonable discretion ("**Bank**"). The Letter of Credit, in a form that is agreed upon by and among Landlord, Tenant, and Bank, shall be delivered to Landlord upon issuance by the Bank. Within five (5) business days of the date that the Letter of Credit has been delivered to Landlord, Landlord shall return $5,000,000 of the Security Deposit (as the same may have been reduced in accordance with Exhibit E, Section 42.5) to Tenant, and Landlord shall have the right to draw upon the Letter of Credit or any renewal or extension thereof, in whole or in part, as set forth in Exhibit E.
Additional Provisions:	As set forth in Exhibit E.
Address for Rent Payments:	Hudson 1099 Stewart Street, LLC PO Box 843394 Los Angeles, CA 90084-3394 Overnight Address: Lockbox Services 843394 Attn: Hudson 1099 Stewart Street, LLC 3440 Flair Drive El Monte, CA 91731

Landlord Address for Notices:	Hudson 1099 Stewart Street, LLC c/o Hudson Pacific Properties Attn: Accounting/ Moriah Satkin 11601 Wilshire Blvd., Ninth Floor Los Angeles, CA 90025 With a Copy to: Jennie Dorsett—Portfolio Manager Hudson Pacific Properties 411 First Avenue South, Suite 210 Seattle, WA 98104
Lender Address for Notices (For notices required by the Initial SNDA):	The Union Labor Life Insurance Company on behalf of its Separate Account J 8403 Colesville Road 13th Floor Silver Spring, MD 20910 Attention: Herbert Kolben With a Copy to: The Union Labor Life Insurance Company on behalf of its Separate Account J 1625 Eye Street, N.W. Washington, D. C. 20006 Attention: General Counsel
Tenant Address for Notices:	Before the Commencement Date: 2025 1st Ave, Ste 500 Seattle, WA 98121 Attn: General Counsel On and after the Commencement Date: The Premises Attn: General Counsel
Brokers:	Colliers International represents Landlord JLL represents Tenant

2. Premises and Project.

2.1 Premises. Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord on all of the terms and conditions set forth in this Lease. As used in this Lease, the term "**Rentable Area**" shall mean the square footage of space calculated using the "Office Buildings: Standard Methods of Measurement—Legacy Method A adopted by BOMA International (ANSI/BOMA Z65.1-2010). The parties stipulate for all purposes hereunder that as of the Commencement Date, the Premises contains the Rentable Area set forth in the Basic Provisions.

2.2 Project. The Project is part of a commercial condominium development known as Hill7, which is subject to certain covenants, conditions, restrictions and easements that are now or will in the future be recorded in the real property records of King County, Washington including the Condominium Declaration recorded in King County, Washington under Recorder's No. 20130705001353 (together with the related Survey Map and Plans and the applicable bylaws, as the same may be amended or restated from time to time, the "**Condominium Documents**"). This Lease shall at all times be subordinate to the

Condominium Documents, including any amendment thereto or amended and restated version thereof, provided that such amendment or amended and restated version does not materially conflict with or otherwise materially and adversely impact Tenant's rights under this Lease. Tenant acknowledges that Landlord has not made any representation or warranty with respect to the condition, suitability or fitness of the Premises or the Project except as expressly set forth herein and is not bound by any representation or warranty made by any other party including any broker or property manager retained by Landlord. Tenant further acknowledges that Landlord has not made and Tenant has not relied on any representation or warranty with respect to the occupancy by any tenant of the Project, the date on which any tenant will occupy its space or the use to which any other tenant will put its space. So long as Tenant is occupying the Premises, Tenant shall have the nonexclusive right to use certain areas and facilities outside the Premises that are designated by Landlord from time to time for the general nonexclusive use of tenants of the Building (the "**Common Areas**"), subject to the terms of this Lease.

2.3 Reserved Rights. Landlord in its discretion may increase, decrease, or change the Common Areas and Project amenities from time to time, provided that such changes do not materially interfere with Tenant's access to or use of the Premises. Landlord reserves the right from time to time to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires, meters and other equipment to serve the Premises and other parts of the Building provided that if they are located within the Premises, they must be attached to the structure or located in or adjacent to existing vertical penetrations, above the intended level of the ceiling system (whether or not a dropped ceiling is installed), below the floor, within the walls or in the central core areas of the Building or shall otherwise be designed to be minimally intrusive and not decrease the usable square footage of the Premises. Landlord reserves the right from time to time to change the size, layout and dimensions of the Building or any part thereof (except for the Premises), provided that such changes do not materially interfere with Tenant's access to or use of the Premises. Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, except that (i) Landlord shall use commercially reasonable efforts to ensure that such scaffolding and structures do not materially interfere with Tenant's access to the Premises, and (ii) in the event that such scaffolding and other necessary structures material interference with Tenant's access to light and air from the Premises and such material interference continues for a longer period than is reasonably required by the character of the work to be performed, Tenant shall have the right to a prorata abatement of Base Rent only for the applicable portion of the Premises that is directly impacted by such loss of light and air, which abatement shall be one (1) day of for each one (1) day that said material interference continues beyond the aforementioned period that is reasonably required by the character of the work to be performed.

2.4 Landlord's Representations and Warranties. Landlord represents to Tenant that (i) fee title to the Land, Building and Premises is vested in Landlord; (ii) Landlord has the authority to enter into this Lease and its execution and delivery by Landlord has been duly authorized; (iii) to Landlord's knowledge, the Project, Building, and Premises comply with all covenants, conditions, restrictions and encumbrances, and all applicable rules, regulations, statutes, ordinances, laws and building codes in effect as of the date that the completed application for land use entitlement of the Project was filed with the City of Seattle; (iv) all Building Systems (as defined in Section 8.1(b) below) are in reasonably good working order and condition; (v) to Landlord's knowledge and except as previously disclosed by Landlord to Tenant in writing, there are currently no local improvement districts, special assessments, state or local impact fees, or actions in eminent domain or condemnation which are currently assessed against, encumber or affect the Land and which are not currently reflected on title to the Project, and Landlord has not received written notice that any of the foregoing are pending or threatened and not reflected on title, and there are no agreements which are not reflected on title to the Project relating to any such improvement districts, special assessments, state or local impact fees, or actions in eminent domain or condemnation to which Landlord, or any affiliate or predecessor of Landlord is a party; and (vi) except as previously disclosed by Landlord to Tenant in writing, the Premises, Building and Land are free of the presence of any Hazardous Materials (including without limitation asbestos or asbestos containing

materials). Landlord will be responsible for removing any Hazardous Materials in the Premises, Building, or Land and will indemnify, defend and hold Tenant harmless from and against any loss or damage arising out of or relating to any hazardous materials in the Premises, Building, or Land except those brought thereon by Tenant or its agents, employees or contractors. Furthermore, for the first twelve (12) months of the Term, Landlord shall warrant at its sole cost and expense (and not includable as Operating Expenses) all Building service and utility systems (including but not limited to the Base Building elements described in Exhibit C-1) ("**Landlord's Warranty Repairs**").

3. Term.

3.1 Determination of Commencement Date. The Term of this Lease shall commence on the Commencement Date and end on the Expiration Date unless this Lease is extended or sooner terminated in accordance with the provisions hereof. This Lease shall be a binding contractual obligation effective upon execution hereof by Landlord and Tenant notwithstanding the later commencement of the Term. If the Commencement Date occurs on a date other than the first day of a calendar month, there shall be added to the number of years and months of the Term, the number of days left in the remainder of the calendar month in which the Commencement Date occurs and the first month of the Term shall consist of that partial month plus the next full calendar month so that the rent adjustments and the Expiration Date coincide with the first and last days of calendar months respectively. The first year of the Term may therefore include twelve (12) full calendar months plus the partial calendar month in which the Commencement Date occurs.

3.2 Delivery of Possession. Prior to the date of this Lease, Landlord completed the Base Building Work under Exhibit C such that the Premises are in TI Ready Shell Condition. Landlord shall deliver possession of the Initial Premises and the Expansion Premises to Tenant upon Tenant's request on their respective Delivery Dates as set forth in the Basic Lease Provisions. Landlord hereby represents and warrants that the Premises have not been previously occupied and are free of Hazardous Materials and that Building roof and envelope are in watertight condition with all Building systems in good working order. As of the Commencement Date applicable to the Initial Premises and the Expansion Premises, respectively, such portion of the Premises and the Common Areas (including, without limitation all exterior areas and the path of travel to such portion of the Premises) shall be in compliance with all Laws as defined in Section 6.3 below.

3.3 Acceptance of Premises. Following delivery of possession, Tenant shall execute and return to Landlord within ten (10) days after receipt, a certificate in the form of Exhibit D, or any other reasonable form, to confirm certain dates and factual information with respect to this Lease, but Tenant's failure or refusal to do so shall not negate Tenant's acceptance of the Premises or affect determination of the Commencement Date. Tenant acknowledges that Tenant has confirmed that the Premises and the Project are suitable Tenant's intended purposes. By taking possession of the Premises, Tenant shall be deemed to have accepted the same and to have verified that all work to be performed by Landlord has been completed and accepted by Tenant, and that the condition of the Premises complies with Landlord's obligations for delivery of the Premises under this Lease, subject to Landlord's representations and warranties that are expressly set forth in this Lease and latent defects.

3.4 Early Access. Tenant and its representatives shall be given access to each portion of the Premises on and after the date of mutual execution of this Lease for purposes of inspecting such Premises, as well as planning for the installation of the Tenant Improvements. Tenant must coordinate such entry with Landlord. All of the provisions of this Lease shall apply during any early access, except that the Delivery Date as to the Initial Premises or the Expansion Premises shall not be deemed to have thereby occurred merely due to such entry, and Base Rent and Operating Expenses shall not be payable until the applicable Commencement Date for each such portion of the Premises. Tenant shall be liable for any damages to the Premises or the Project caused by Tenant's activities at the Premises or Project prior to the Commencement Date. Before Tenant will be given access to the Premises, Tenant must obtain all insurance it is required to obtain hereunder and must provide certificates evidencing such insurance to Landlord.

4. Rent.

4.1 Base Rent. Base Rent and Tenant's Share of Operating Expenses for the Initial Premises shall be abated for the initial six (6) months of the Term ("**Abatement Period**"). Beginning on the first day of the month following the Abatement Period and for the balance of the Term, Tenant shall pay Base Rent to Landlord in monthly installments in advance on or before the first day of each calendar month; provided, however, Tenant's obligation to pay Base Rent and Tenant's Share of Operating Expenses for the Expansion Premises shall not commence until the Expansion Premises Commencement Date. The Prepaid Rent shall be paid by Tenant upon Tenant's execution of this Lease.

4.2 Net Relief Payment; Additional Rent. Tenant shall pay to Landlord eighty percent (80%) of any and all of net relief of or reduction to Tenant's financial obligations that would have been owing or would have accrued between the Commencement Date and October 31, 2017 ("**Net Relief Payment**") under that certain Lease Agreement executed December 11, 2009 by and between Redfin Corporation, as tenant, and Market Place Tower, as landlord, as amended by that certain First Amendment executed February 3, 2010, that certain Second Amendment dated June 16, 2011, that certain Third Amendment dated May 17, 2012, and that certain Fourth Amendment dated November 12, 2012 ("**Tenant's Prior Lease**"). The Net Relief Payment shall include, without limitation, any net relief or reduction of financial obligations that may accrue to Tenant's benefit as a result of Tenant's assignment of the Tenant's Prior Lease, subleasing of the premises under the Tenant's Prior Lease, or early termination of Tenant's Prior Lease. The Net Relief Payment shall be made by Tenant to Landlord from time to time as such net relief of or reduction to Tenant's financial obligations under the Tenant's Prior Lease accrue to Tenant's benefit, but in any event such Net Relief Payment shall be made within thirty (30) days after each such accrual event. At the time that Tenant makes the Net Relief Payment, Tenant shall provide Landlord with such documentation as is reasonably necessary to substantiate the amount of the Net Relief Payment. For illustrative purposes only, if (a) the Commencement Date under this Lease is February 1, 2017 and (b) on or before such Commencement Date, Tenant subleases a portion of the premises under Tenant's Prior Lease and (c) as a result of such sublease, Tenant is relieved of rent and other financial obligations under the Tenant's Prior Lease in the amount of $100,000.00 per month, then monthly for the period from the Commencement Date through October 31, 2017, Tenant shall pay $80,000.00 per month to Landlord as a Net Relief Payment.

All monies other than Base Rent required to be paid by Tenant hereunder, including, but not limited to, the Net Relief Payment and Tenant's Share of Operating Expenses, shall be considered additional rent ("**Additional Rent**"). The term "**Rent**" shall mean Base Rent and Additional Rent and Landlord shall be entitled to exercise the same remedies for nonpayment of Additional Rent as for Base Rent.

4.3 Payment. All Rent shall be payable in lawful money of the United States, without any deduction or offset and without notice or demand, except as expressly provided herein, at the address specified the Basic Provisions or to such other place as Landlord may designate in writing from time to time.

4.4 Operating Expenses. In addition to Base Rent, beginning on the date that is six (6) months after the Commencement Date, Tenant shall pay Tenant's Share of Operating Expenses for the Building and/or Project (as applicable), in the manner set forth below. The term "**Tenant's Share**" shall mean the Rentable Area of the Premises divided by the Rentable Area of the Building. The number set forth in the Basic Provisions is an estimate of Tenant's Share as of the Commencement Date. Landlord shall calculate the Rentable Area of the Premises and the Building and the Tenant's Share from time to time. Tenant acknowledges that the Rentable Area of the Premises includes an allocation of Common

Areas and that the allocation and Tenant's Share may change from time to time. If physical changes or additions or deletions are made to the Premises then Landlord shall appropriately adjust Tenant's Share to reflect the change, provided that Landlord may not revise the Rentable Area of the Premises for any other reason without Tenant's prior consent. Should Tenant object to the results of such permitted remeasurement, Tenant must notify Landlord of such objection within fifteen (15) days after Tenant's receipt of such information from Landlord. In the event Landlord and Tenant cannot resolve such dispute within ten (10) days of Tenant's notice of such objection to the results of such remeasurement, the areas shall be recalculated by an independent architect selected by Landlord and Tenant and such determination shall be binding on both parties.

(a) Definition. "**Operating Expenses**" shall mean all expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay, because of or in connection with the ownership, management, maintenance, repair, replacement or operation of the Project and its supporting amenities and facilities, all as determined by Landlord using sound accounting principles reasonably selected by Landlord and consistently applied, but subject to the exclusions from Operating Expenses set forth in Section 4.4(b) below. The following enumeration of possible Operating Expenses shall not be deemed to impose an obligation on Landlord to make available or provide such services or facilities except to the extent Landlord has specifically agreed elsewhere in this Lease to provide a service or facility. Operating Expenses shall include but are not limited to, the following:

(1) Real Property Taxes. All real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, license or use fees, excises, transit charges, and other impositions of any kind (including fees "in-lieu" or in substitution of any such tax or assessment) which are now or hereafter assessed, levied, charged or imposed by any public authority upon the Project, its operations or the Rent (or any portion or component thereof, or the ownership or operation thereof) (collectively, "**Taxes**"). Operating Expenses shall not include transfer taxes, inheritance or estate taxes imposed upon or assessed against the interest of any person in the Project or any portion thereof, or taxes computed upon the basis of the net income of any owners of any interest in the Project or any portion thereof. If it is not lawful for Tenant to reimburse Landlord for any such taxes, the monthly rental payable to Landlord under this Lease shall be revised to net Landlord the same net rental after imposition of any such taxes by Landlord as would have been payable to Landlord prior to the payment of any such taxes.

(2) Landlord Insurance. All insurance costs for policies required to be furnished by Landlord pursuant to the terms of this Lease and to the terms of any debt or equity financing applicable to the Project, including, but not limited to, premiums and deductible amounts, and other costs of insurance incurred by Landlord with respect to the Project or any portion thereof.

(3) Repairs and Maintenance. General maintenance and repairs of the Project and Common Areas including, but not limited to, the roof, elevators, mechanical rooms, alarm systems, landscaped areas, parking and service areas, driveways, sidewalks, loading docks, fire sprinkler systems, sanitary and storm sewer lines, utility services, heating/ventilation/air conditioning systems serving the Building (but not supplemental systems serving individual tenant premises), electrical, mechanical or other systems, telephone equipment and wiring, plumbing, lighting, and any other items or areas which affect the operation or appearance of the Project, including replacements of individual components as necessary to maintain the Project as a first class office project. Such costs shall include, without limitation, repairs, replacement and maintenance of portions of the Project as required by any encumbrance. Repairs, replacements and general maintenance shall include the capital cost of any replacements or improvements made to or assets acquired for the Project (a) which are installed or paid for by Landlord and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the date of this Lease, (b) which are installed or paid for as a labor-saving measure that affects other economies in the operation or maintenance of the Building or Project (provided the annual amortized costs do not exceed the actual cost savings realized

and such savings do not redound primarily to the benefit of any particular tenant other than Tenant), or (c) which are minor capital improvements, tools, or other expenditures to the extent such improvement or acquisition cost are less than Ten Thousand Dollars ($ 10,000) on an annual basis (collectively, "**Permitted Capital Costs**") and provided that such Permitted Capital Costs shall be less than three percent (3%) of the sum of all other Operating Expenses and shall be amortized over the useful life of such items per generally accepted accounting principles consistently applied ("**GAAP**").

(4) Shared Facility Charges. Excluding any of the following that should be capitalized per GAAP or are in the nature of capital assessments, payments and costs incurred or assessed under the Condominium Documents and any other easement, license, permit, operating agreement, declaration, restrictive covenant, common area maintenance agreement or similar instrument relating to the Project including the underground parking facility serving the Project which may be shared with other properties, but excluding rent under any ground lease.

(5) Services. All expenses to provide services and supplies (including Basic Services as defined in Section 7.2 below), materials and equipment, including, without limitation, security, fire and other alarm systems, lobby staff, roving patrols, mail room service, janitorial service, pest control, window cleaning, elevator maintenance, Building exterior maintenance, landscaping and expenses related to the administration, management and operation of the Project, including without limitation salaries, wages and benefits, management office rent, and fees for management and asset allocation, whether by Landlord or an independent contractor, including without limitation a management fee that shall not exceed three percent (3%) of the sum of Base Rent and actual Operating Expenses, provided that such management fee may be reset to market after the fifth year of the Term. Because the Building lobby and ground floor retail have been designed on an integrated basis and may be served by shared utility meters and HVAC, Landlord may allocate the twenty-five percent (25%) of cost of any such shared services to Operating Expenses charged to the office tenants.

(6) Utilities. The cost of utilities except to the extent paid directly by tenants of the Project.

(7) Professional Services. Legal and accounting expenses including the cost of audits by certified public accountants; provided, however, that Operating Expenses shall not include the cost of negotiating leases, collecting rents, evicting tenants or legal fees incurred in legal proceedings with or against any tenant or to enforce the provisions of any lease.

(b) Exclusions. Notwithstanding the foregoing, Operating Expenses shall not include (i) the cost of providing tenant improvements for specific tenants of the Project, including Tenant; (ii) the initial cost to develop the Building and any costs to correct any construction defect in the core and shell of the Building, including the Base Building improvements described in Exhibit C-1; (iii) debt service on any mortgage or deed of trust recorded with respect to the Project and costs expended in connection with any sale, hypothecation, financing, refinancing, or ground lease of the Premises, Building, Project, or Landlord's interest therein; (iv) specific costs for special services that are separately paid by specific tenants (including Tenant) and any other costs for which Landlord has a right of reimbursement from or is actually reimbursed by any third party; (v) (1) costs of repair and reconstruction to the extent covered by insurance proceeds provided that the deductible or self-insured retention shall be included in Operating Expenses (2) any premiums and other costs and charges ("Insurance Costs") not required to be carried by Landlord pursuant to this Lease or to the terms of any debt or equity financing applicable to the Project, (3) Insurance Costs relating to insurance carried by Landlord for the benefit of the legal entity that constitutes Landlord, as opposed to insurance carried by Landlord for the benefit of the Premises, Building, or Project, and (4) any increases in insurance costs caused by the activities of any other occupant of the Building; (vi) ground rent (if any); (vii) costs incurred to comply with applicable Law relating to the initial construction of the core and shell of the Building, including the Base Building improvements described in Exhibit C-1, or to comply with any condition, covenant, or restriction

applicable to the Premises or the Building which was in effect as of the date of this Lease; (viii) leasing commissions, attorneys' fees, auditing fees, and other costs incurred in connection with negotiations or disputes with any other current, past, or prospective occupant or tenant of the Building or in preparing, negotiating or enforcing leases or lease-related documents such as guarantees, estoppels, nondisturbance agreements, termination agreements, amendments, subleases, assignments, and other similar documents; and costs arising from the violation by Landlord or any occupant of the Building of the terms and conditions of any lease or other agreement, and any rental concessions or buyouts or tenant relocations; (ix) except for Permitted Capital Costs under clause (3) above, capital expenditures, depreciation or amortization of the Project, Building or expenses that should be capitalized in accordance with GAAP; (x) any governmental fines, penalties, or interest imposed on Landlord; (xi) advertising, marketing and promotional expenses; costs related to artwork (other than ordinary and normal cleaning/janitorial costs); or market study fees; (xii) charitable or political contributions; (xiii) costs associated with the operation of the entity that constitutes Landlord, as distinguished from the cost of operation of the Project, including entity accounting and legal matters, costs of defending any lawsuits with any mortgagee, and costs of transferring Landlord's interest in the Project; (xiv) reserves for any purpose and any bad debt, rent loss, or reserves for bad debt or rent loss; (xv) costs of any renovation, improvement, painting or redecorating of any portion of the Premises, Building, or Project of premises in the Building that are leased to or occupied by other occupants of the Building or of any Common Areas that have been separately allocated to the sole use of a tenant of the Building other than Tenant; (xvi) costs (including without limitation any attorneys' fees) for any studies, testing, reports, monitoring, clean-up, detoxification, decontamination, repairs, replacements, restoration and remedial work required by any federal, state or local governmental agency, authority or political subdivision, and any third-party claims due to any Hazardous Material (as defined in Section 32.1 hereof) being present in soil, ground water, air, buildings or other improvements or otherwise in, upon, under or about the Premises, Building, Land, or any migration thereof from or to any adjacent property, air, or groundwater, including without limitation any judgments, fines, penalties, or other costs incurred in connection with the generation, production, spillage, release, discharge, storage, transportation, handling, treatment, or disposal of Hazardous Materials in, on, under, or about the Premises, Building, or Land, or any migration thereof from or to any adjacent property, air, or groundwater; (xvii) wages, salaries, compensation, benefits, and labor burden for any employee above the level of Landlord's or its property manager's general manager for the Building or any fee, profit or compensation retained by Landlord or its affiliates for management and administration of the Building (and also excluding any costs related to any asset manager or asset management fee(s)) if in addition to or in excess of the management fee which would be charged by an independent professional management service for operation of comparable projects in the vicinity, provided, however, that to the extent that any of Landlord's or its property manager's employees involved in the operations and management of the Building are also employed in the operations and management of any other building(s), then such employee wages, salaries, compensation, benefits, and labor burden, including those related to the Landlord's or its property manager's general manager and accounting staff, shall be fairly allocated among the applicable buildings, including an appropriate amount allocated to the Operating Expenses for the Building; (xviii) Landlord's general overhead or any other expense not directly related to the Building or the Project; (xix) costs incurred due to violation by Landlord or any other tenant of the terms and conditions of any other lease; (xx) expenses in connection with services or other benefits of a type which Tenant is not entitled to receive under the Lease but which are provided to another tenant or occupant of the Building; (xxi) costs and expenses for which Tenant reimburses Landlord directly or which Tenant pays directly to a third person; and (xxii) costs and expenses incurred for Landlord's Warranty Repairs.

(c) Cap on Controllable Operating Expenses. Notwithstanding anything to the contrary contained herein, commencing with calendar year 2018, Tenant's Share of Controllable Operating Expenses for 2018 and any subsequent calendar year shall not exceed Tenant's Share of Controllable Operating Expenses for the immediately preceding calendar year, increased by five percent (5%) per calendar year on a cumulative and compounded basis. For purposes hereof, "**Controllable Operating Expenses**" shall mean all Operating Expenses other than Taxes, insurance premiums, and utility costs and expenses.

(d) Billing Procedures. On or before the Commencement Date and annually thereafter, Landlord shall give Tenant written notice of Landlord's estimated Operating Expenses ("**Estimated Operating Expenses**") for the ensuing fiscal year. Tenant shall pay Tenant's Share of the Estimated Operating Expenses in monthly installments in advance together with the monthly installments of Base Rent. At any time during any fiscal year, but no more than twice per year, Landlord may, by written notice to Tenant, revise Estimated Operating Expenses for the balance of such fiscal year, and Tenant's monthly installments for the remainder of such year shall be adjusted so that by the end of such fiscal year Tenant has paid to Landlord Tenant's Share of the revised Estimated Operating Expenses for such year. The term "fiscal year" shall mean the calendar year or such other fiscal year as Landlord may deem appropriate.

(e) Annual Adjustment. "**Operating Expense Adjustment**" means the difference between Estimated Operating Expenses and actual Operating Expenses for any fiscal year as determined by Landlord. Within one hundred twenty (120) days after the end of each fiscal year, or as soon thereafter as such amounts have been finally determined, Landlord shall deliver to Tenant a statement of actual Operating Expenses for the fiscal year just ended (the "**Annual Statement**"), accompanied by a computation of any Operating Expense Adjustment. If the Annual Statement shows that Tenant's payments based upon Estimated Operating Expenses are less than Tenant's Share of Operating Expenses, then Tenant shall pay to Landlord the difference within twenty (20) days after receipt of the Annual Statement. If the Annual Statement shows that Tenant's payments of Estimated Operating Expenses exceed Tenant's Share of Operating Expenses, then (provided that Tenant is not in default under this Lease) Landlord shall, at Landlord's election, either credit the amount of such overpayment against Tenant's Share of Operating Expenses next due or pay Tenant the difference within such twenty (20) day period. The provisions of this Section shall survive the expiration or sooner termination of this Lease. Landlord's failure to provide any notices or statements within the time periods specified above shall not excuse Tenant from its obligation to pay Tenant's Share of Operating Expenses.

(f) Gross Up. If the Building is not 100% occupied during any year or if Landlord is not supplying comparable services to 100% of the Rentable Area of the Building at any time during a fiscal year, any Operating Expenses that vary by occupancy may, at Landlord's option, be equitably adjusted as though the Building had been 100% occupied and Landlord had been supplying comparable services to 100% of the Rentable Area of the Building during that fiscal year; provided, however, that Landlord shall not be entitled to recover more than its actual Operating Expenses incurred during any particular year. The extrapolation of Operating Expenses under this Section shall be performed in accordance with the methodology specified by the Building Owners and Managers Association.

4.5 Tenant Review. Tenant, within one hundred eighty (180) days after receipt of the Annual Statement, may give Landlord written notice (**Review Notice**") that Tenant intends to review Landlord's records of Operating Expenses for the year to which the statement applies. Tenant's Review Notice must specify which expenses it wishes to review. The review shall be limited solely to confirming that the Operating Expenses charged to Tenant are consistent with the terms of this Lease. The audit must be performed by a nationally or regionally recognized certified public accountant reasonably acceptable to Landlord and no portion of the compensation of such firm or person shall be based directly or indirectly upon a percentage of the savings found or the results of the review. Within a thirty (30) days after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review. If any records are maintained at a location other than the management office for the Building, Tenant may either inspect the records at such other location or pay for the reasonable cost of copying and shipping the records. Within thirty (30) days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice identifying the claimed errors and overcharges with specific reference to the relevant Lease provisions

disqualifying such expenses (an "**Objection Notice**"). Tenant shall provide a full and complete copy of the audit (including all instructions provided to the auditor) to Landlord with the Objection Notice. Tenant's objection to Landlord's determination of Operating Expenses shall be deemed withdrawn unless Tenant provides an Objection Notice within such time period. Landlord shall have a reasonable opportunity to meet with Tenant's auditor to explain its calculation of Operating Expenses. Tenant shall be solely responsible for all costs, expenses and fees of Tenant's auditor for the audit, unless such audit reveals any errors on the part of Landlord in excess of five percent (5%) in favor of Landlord, in which case Landlord shall be responsible for all costs, expenses and fees of Tenant's auditor for the audit. If Tenant does not deliver a timely Objection Notice or a timely Review Notice, Tenant shall be deemed to have approved Landlord's Annual Statement and both parties shall be barred from raising any claims regarding Operating Expenses for that year. The records obtained by Tenant shall be treated as confidential. Tenant may not examine Landlord's records or dispute any Annual Statement unless Tenant has paid and continues to pay all Rent when due. Following completion of any audit and resolution of any dispute as to the audit findings, if Tenant's actual payments exceed the amount Tenant is obligated to pay, Landlord will credit the overpayment to the next Rent due under this Lease or shall refund the excess to Tenant if this Lease has terminated. If Tenant's actual payments are less than the amount Tenant is obligated to pay, Tenant will pay to Landlord the difference between the amount Tenant paid and the amount determined in the audit within twenty (20) days after it receives the final audit results. Pending resolution of any audit under this Section, Tenant will continue to pay to Landlord the estimated amounts of Tenant's Share of Operating Costs as billed by Landlord.

5. Security Deposit.

5.1 Security Deposit. Tenant has deposited with Landlord the Security Deposit set forth in the Basic Provisions as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant fails to pay Base Rent, Additional Rent or other charges due hereunder or otherwise defaults with respect to any provision of the Lease, Landlord may use, apply or retain all or any portion of the Security Deposit for the payment of any Base Rent, Additional Rent or other charge in default or for the payment of any other sum to which Landlord may become entitled by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. Tenant acknowledges and agrees that the Security Deposit is not an advance payment of Rent, nor a measure of or limit on the amount of Landlord's damages in the event of any default by Tenant. If Landlord uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written demand, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the full amount stated above and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general accounts or to pay interest on the Security Deposit. The balance of the Security Deposit after deducting any amounts applied by Landlord as provided above, shall be returned, without payment of interest for its use, to Tenant (or at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) within thirty (30) days of the later of (i) the last day of the Term, (ii) the date Tenant vacated the Premises, or (iii) the date Tenant has fulfilled all its obligations hereunder. No trust relationship is created between Landlord and Tenant regarding the Security Deposit.

5.2 Transfer of Security Deposit. Landlord shall have the right to transfer the Security Deposit to any assignee or other transferee of Landlord, subject to the terms hereof, and upon such transfer the provisions hereof shall be binding on the new Landlord. Upon any transfer of Landlord's interest in the Premises, Landlord shall thereupon be discharged from any further liability with respect to the Security Deposit. Tenant agrees not to look to any mortgagee or mortgagee-in-possession or a successor to such party through foreclosure or other similar process for any refund of the Security Deposit unless the Security Deposit has actually been received by said party.

6. Use.

6.1 Permitted Use. Tenant shall use the Premises for any lawful use, including general office purposes and periodic assembly, which use shall be in a manner consistent with the standards of a first-class, downtown office project (the "**Permitted Use**"), except that the Permitted Use shall not include: (a) governmental offices of any kind (provided that the foregoing restriction shall not apply at any time any portion of the Building is then being leased to or occupied by any governmental agency); (b) medical or dental offices, except for administrative offices where no diagnostic, treatment or laboratory services are performed (provided that the foregoing restriction shall not apply at any time any portion of the Building is then being leased to or occupied by any medical or dental office); (d) schools or other training facilities, except as an incidental use to Tenant's executive, professional or corporate administrative office use; (e) retail or restaurant uses (except for any in-house cafeteria primarily serving Tenant's employees); (f) offices at which deposits or bills are regularly paid in person by customers; or (g) personnel or staffing agencies, except offices of executive search firms. The Permitted Use does not include fitness centers or large server rooms or data centers unless specifically authorized herein. Tenant shall not have any rights to the roof, exterior walls, utility raceways, or air space except as expressly provided in this Lease. This Lease and Tenant's use of the Premises and other areas of the Project are subject and subordinate to the Condominium Documents and to each of the current or future covenants, conditions and restrictions, any ground lease and any such other current or future encumbrances, including amendments to any of the foregoing (collectively, the "**Encumbrances**") that may encumber the Land and/or Project as of the date of this Lease. Upon request, Tenant shall execute such documents as are reasonably necessary to confirm that this Lease is subordinate to any such Encumbrances.

6.2 Restrictions on Use. Tenant shall not create odors, smoke, dust, noise or vibrations that are detectible outside the Premises. Tenant shall not do or permit any Tenant Party to bring or keep anything in, on, under or about the Project that increases the rate of any insurance upon the Premises or the Project or upon any contents therein or cause a cancellation of said insurance or otherwise affect said insurance in any manner. Tenant may not place any loads upon the floors, walls or ceilings which could endanger the structure, or place any harmful substances in the drainage system of the Project. Tenant shall not take any action which would constitute a nuisance or would disturb, obstruct or endanger any other tenants or occupants of the Project, or interfere with their use of their respective premises or the Common Areas. Tenant shall not use the Premises for any immoral, improper or unlawful purpose, nor shall Tenant commit or suffer the commission of any waste in, on or about the Premises. Tenant shall not allow any sale by auction upon the Premises. Tenant may not store any materials in the Common Areas. All waste, recycling and refuse shall be placed inside the enclosures designated for that purpose by Landlord. Tenant shall ensure that each of Tenant and Tenant's assignees and subtenants and each of their employees, agents, representatives, customers, visitors, invitees, licensees, contractors, assignees or subtenants (each a "**Tenant Party**") abides by all of the provisions of this Lease, including these use restrictions.

6.3 Compliance with Laws. Tenant at its sole cost and expense shall comply, and cause each Tenant Party to comply, with all existing and future applicable municipal, state, federal and other governmental statutes, rules, requirements, regulations, laws and ordinances (collectively, "**Laws**"), including zoning ordinances and the Americans With Disabilities Act ("**ADA**"), the Encumbrances and the reasonable recommendations of Landlord's engineers and consultants (including pertaining to industrial hygiene and environmental conditions), governing and relating to the condition, use, occupancy or possession of the Premises, to Tenant's or any Tenant Party's use of the Common Areas, or to the use, storage, generation or disposal of Hazardous Materials (defined in Section 32 below). Tenant shall comply with the terms of the Transportation Management Plan (attached hereto as Exhibit F) and any similar programs required by any governmental authority, including the obligation to provide transit subsidies and guaranteed rides home to certain employees and to respond to surveys on commuting practice for its employees. Tenant shall promptly notify Landlord in writing of any notice of a violation

or a potential or alleged violation of any Law received by Tenant that relates to the Premises or the Project, or of any inquiry, investigation, enforcement or other action that is instituted or threatened by any governmental or regulatory agency against Tenant or any other occupant of the Premises, or any claim that is instituted or threatened against Tenant by any third party that relates to the Premises or the Project. Tenant shall obtain any and all licenses or permits necessary for Tenant's use of the Premises. Tenant shall promptly comply with the requirements of any board of fire underwriters or other similar body now or hereafter constituted applicable to the Premises. Notwithstanding the foregoing, Tenant shall not be obligated to make or perform any capital expenditures to comply with any Laws unless the need for same is triggered by Tenant's unique, specialized use of the Premises, as opposed to general office uses.

6.4 Rules and Regulations. Tenant shall comply and cause each Tenant Party to comply with any reasonable,non-discriminatory rules and regulations adopted by Landlord from time to time and distributed to Tenant (the "**Rules and Regulations**") , but only to the extent the same do not conflict with Tenant's express rights under this Lease. Landlord shall not be responsible to Tenant for the noncompliance by any other tenant or occupant of the Project with any Rules or Regulations or any other terms or provisions of such tenant's or occupant's lease or other contract, provided that Landlord will enforce all Rules and Regulations fairly and on a non-discriminatory basis. The current Rules and Regulations are attached hereto as Exhibit J.

6.5 Sustainability. Tenant acknowledges that the Building will be developed and operated in a sustainable and resource efficient manner. Tenant shall use commercially reasonable efforts to comply with the terms of Landlord's sustainability practices and procedures attached hereto as Exhibit G. Tenant shall comply with all of Landlord's commercially reasonable sustainability practices and procedures in effect from time to time including those addressing building operations and maintenance; chemical use; construction practices and materials; indoor air quality; energy efficiency; water efficiency; recycling programs; maintenance programs; and systems upgrades to meet green building energy, water, indoor air quality, and lighting performance standards. Tenant acknowledges that Landlord has designed the Building to qualify for and intends to seek LEED certification and may apply for any other third-party rating system concerning the environmental compliance or sustainability of the Building or the Premises as the same may change from time to time (collectively, "**Sustainability Standards**"). Provided the following neither materially increase Tenant's costs nor materially decrease Tenant's rights and privileges granted elsewhere in this Lease, (i) Tenant shall comply with all reasonable requirements imposed on the Building from time to time as a result of or in connection with any applicable Sustainability Standard, and (ii) shall not take any action that could cause the Building to lose its certification or status under any applicable Sustainability Standard. Landlord shall be responsible for any reporting required under any certification or rating system and the cost shall be included in Operating Expenses. Tenant shall comply with all reasonable Landlord requirements regarding the collection, sorting, separation, and recycling of garbage and recyclable materials. Landlord may refuse to collect or accept from Tenant any waste that is not separated and sorted, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Landlord.

6.6 Fitness Center. Tenant and its employees working from the Premises will be entitled to use the showers and lockers which are part of the Common Areas, provided that each user must comply with all rules, regulations and procedures adopted by Landlord from time to time relating to such use. Landlord may require each individual who wants to access the showers and lockers to execute Landlord's standard form of use agreement as a condition to being given access to the showers and lockers which agreement may include a release and waiver of claims and an agreement to comply with all applicable rules and regulations. All costs incurred by Landlord in connection with the showers and lockers shall be included in Operating Expenses. In no event shall Landlord have any liability to Tenant or any Tenant Party for any claim arising out of the use of the showers and lockers by such party and Tenant hereby waives, releases and forever discharges Landlord from all such liability to the maximum extent permitted by law, except with respect to claims arising as a result of Landlord's gross negligence or intentional misconduct. Landlord may require payment of a fee by users to cover a portion of the cost of operating the showers and lockers to encourage responsible use thereof.

6.7 Conference Facility. The Building conference facility shall be a part of the Common Areas and shall be available for use by Tenant in common with other tenants of the Building in accordance with the rules and regulations and procedures adopted by Landlord from time to time. Landlord may impose a fee for use of the conference facility to cover the costs of set up and clean up. All costs incurred by Landlord in connection with the conference facility, including the cost of equipment therein, shall be included in Operating Expenses.

7. Services and Utilities.

7.1 Tenant Responsibilities. Tenant shall make arrangements, at Tenant's cost, for internal security for the Premises, telephone, cable and digital communications equipment and services, and any and all other utilities and services not provided by Landlord. Landlord shall cooperate in a reasonable manner with Tenant's efforts to arrange all such services, including Tenant's right to integrate its security and access systems for the Premises with Landlord's existing security and access systems for the Building. All service providers are subject to Landlord's prior written approval and must comply with Landlord's requirements for access.

7.2 Basic Services. Subject to the balance of this Lease, Landlord shall provide such utilities and services to the Common Areas as are determined by Landlord in Landlord's reasonable discretion to be consistent with a first class, downtown office building and shall furnish the following utilities and services to the Premises ("**Basic Services**"). The cost of Basic Services shall be included in Operating Expenses. Basic Services include the following:

(a) hot and cold potable water, normal sanitary sewage service and electricity that is, customarily furnished in comparable office buildings in the immediate market area and suitable for the Permitted Use of the Premises;

(b) heat and air conditioning for the Common Areas and as required reasonably required for the comfortable use and occupation of the Premises during Building Hours (as defined in Section 7.3) for the Permitted Use;

(c) elevator service, which shall mean service either by non-attended automatic elevators or elevators with attendants, or both, and may include controlled access after Building Hours, all at the option of Landlord;

(d) janitorial services in accordance with the specifications set forth in Exhibit M attached hereto, and landscaping, and periodic window washing during the times and in the manner that such services are, in Landlord's judgment, customarily furnished in comparable first class buildings in the immediate market area;

(e) lighting of the Common Areas;

(f) replacement of light bulbs, tubes, ballasts and starters for Building standard fixtures within the Premises provided that the cost thereof may be billed directly to Tenant or included in Operating Expenses; and

(g) receptacles for Tenant's use for trash/garbage and recycling collection.

7.3 Building Hours of Operation. The customary hours of operation for the Building will be 7:00 a.m. to 6:00 p.m. on business days and 8:00 a.m. to 1:00 p.m. on Saturdays ("**Building Hours**"). Business days shall be Monday through Friday of each week, exclusive of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day ("**Holidays**"). Landlord may designate additional Holidays, provided that the additional Holidays are commonly recognized by other office buildings in the area where the Building is located, are federal holidays and are not days when the New York Stock Exchange or NASDAQ are open for business.

7.4 Extra Services. To the extent Tenant requires (i) HVAC at times other than Building Hours or janitorial services in excess of the services described in Exhibit M, or (ii) water, electricity, or HVAC in excess of the level of service provided by Landlord as part of Basic Services (each of which is referred to herein as an "**Extra Service**"), then subject to available capacity, Landlord shall provide such Extra Service at Tenant's cost. Tenant shall request after hours HVAC telephonically or via email not less than three (3) hours in advance and otherwise pursuant to reasonable procedures established by Landlord. The charge for Extra Services shall not be less than Landlord's actual cost plus a reasonable charge for overhead and administration to provide such Extra Service and may include, where appropriate, a reasonable allowance for excess wear and accelerated depreciation of any systems being used to provide such service. The current actual cost per hour to provide such HVAC service is $42.85. All charges for Extra Services shall be payable by Tenant on a monthly basis within thirty (30) days after receipt of Landlord's invoice.

7.5 No Excessive Load. Tenant agrees at all times to cooperate fully with Landlord and to abide by all requirements which Landlord may prescribe for the proper functioning and protection of the Building Systems. Tenant acknowledges that the Building's total designed electrical capacity is 17 watts per square foot of space (including 6-8 watts to operate the HVAC system, 0.92 watts for lighting and 5 watts for tenant's equipment and convenience outlets) and the design cooling capacity of the HVAC system for equipment loads is 2 watts per square foot. Tenant will not, without the written consent of Landlord, use any apparatus or device in the Premises or design its interior improvements in a manner that puts an excessive load on the Building structure or Building Systems, or that will require more gas, electricity or water than is customarily furnished or supplied for general office space in the Building. If Tenant wishes to install heat generating machines, lighting or equipment in the Premises use of which will affect the temperature otherwise maintained by the HVAC system (including server rooms, kitchens, fitness centers and data centers) or will require water or electrical current or any other resource in excess of that usually furnished or supplied for use of the Premises as general office space, Tenant shall first obtain the consent of Landlord, which Landlord may refuse if in Landlord's reasonable judgment such excess would adversely affect the Building Systems or service to other tenants. Landlord reserves the right to install or to require Tenant to install check meters to measure utility usage and supplementary air conditioning units in the Premises to serve any such areas. Tenant shall be responsible for installation, operation, maintenance and replacement of such meters and supplementary HVAC equipment serving the Premises. Tenant shall ensure that all such equipment is kept in good operating condition at all times and shall maintain a quarterly service contract on such units. Tenant shall leave all supplementary air conditioning units and related equipment in place upon surrendering possession unless Landlord requires Tenant to remove such equipment. If separate checkmeters are installed then Tenant shall pay Landlord promptly upon demand for all such water, electric current or other resource consumed, as shown by said meters, at the rates charged by the local public utility furnishing the same, plus any additional administrative expense incurred by Landlord to account for such use.

7.6 No Liability. Landlord shall not be in default hereunder, nor be deemed to have evicted Tenant, nor be liable for any damages directly or indirectly resulting from, nor shall Tenant be relieved from performance of any covenant on its part to be performed hereunder, nor shall the rental herein reserved be abated by reason of (a) the installation or use of any equipment in connection with the foregoing utilities and services; (b) failure to furnish, or delay or interruption in furnishing, any services to be provided by Landlord when such failure, delay or interruption is caused by force majeure, or by the making of repairs or improvements to the Premises or to the Building; or (c) the limitation, curtailment, rationing or restriction on use of water, electricity, gas or any other form of energy, or any other service or utility whatsoever serving the Premises, the Building or the Project. Landlord shall be entitled to cooperate with the requirements and recommendations of national, state or local governmental agencies

or utilities suppliers in connection with reducing energy or other resources consumption. Notwithstanding the foregoing, in the event that any interruption of the type specified in clause (b) or (c) above continues for 48 hours or more, Rent shall thereafter abate to the extent the Premises are unusable for their normal purposes. Nothing contained herein precludes Tenant from seeking recovery of any and all damages suffered and losses incurred (including but not limited to loss of business) due to an interruption of utilities for a period greater than 48 hours, if such interruption was caused by the intentional or negligent act or omission of Landlord, its agents, employees, or contractors. Tenant shall have full access and use of the Premises twenty-four hours a day, seven days a week, 52 weeks a year. Landlord shall at all times use commercially reasonable efforts in the exercise of its rights under this Lease so as to not unreasonably interfere with the conduct of Tenant's business.

7.7 Security. Landlord will provide limited security service for the Building consistent with customary practices in comparable first class office buildings in the local area, which may include electronic card key access (including after-hours access to the Building by means of electronic card key), roving personnel or surveillance devices; provided, however, that any security service shall be provided by unarmed personnel and shall not include alarm systems for special surveillance of the Premises. Security personnel are provided solely to monitor access and deter criminal activity. Landlord shall not be liable to Tenant or any third party for any breach of security or any losses due to theft, burglary, battery or for damage done or injury inflicted by persons in or on the Building. Tenant acknowledges and agrees that it shall be responsible for providing adequate security for its use of the Premises and that, even if Landlord installs and operates a key card access system, security cameras and/or or other security equipment and/or provides any other services that could be construed as being intended to enhance security at or control access to or within the Project, Landlord shall have no liability to Tenant or to any Tenant Party or to any other person for any damage, claim, loss or liability related to any claim that Landlord had a duty to provide security or control access, or that the equipment or services provided by Landlord were inadequate, inoperative or otherwise failed to adequately control access or provide adequate security.

8. Repairs and Maintenance.

8.1 Landlord's Obligations. Landlord shall be responsible for:

(a) Maintenance, repair and replacement (as necessary to keep the same water tight and in good working order and condition) of the exterior (including all exterior doors, walls, and windows), roof, flooring, and structural portions of the Premises and Building (including load bearing walls and foundations);

(b) Maintenance, repair and replacement (as necessary) of the elevators, sanitary and storm drainage systems, fire and life safety systemson- and off-site utilities and improvements necessary for the operation of the Building, and building systems for fire/life safety, mechanical, electrical and plumbing, HVAC and all controls appurtenant thereto (collectively, the "**Building Systems**"); and

(c) Maintenance, repair and replacement (as necessary) of the Common Areas, including, without limitation, escalators, lobbies, stairs, corridors, downspouts, restrooms, landscaping, parking areas, loading docks, and such maintenance, repair and replacement with respect to the Common Areas as may be required by any Encumbrance.

Landlord shall not be in default of Landlord's obligations under this Section unless Tenant notifies Landlord in writing of any failure to perform such obligations and such failure is not corrected within a reasonable period of time thereafter (but in no event later than the time period specified in Section 20.6). Tenant shall cooperate with Landlord in connection with Landlord's repair, maintenance and replacement activities pursuant to this Section both within the Premises and in the Common Areas, provided that the same do not unreasonably interfere with Tenant's access to, or use or enjoyment of the Premises, or materially reduce the usable square feet of the Premises.

8.2 Tenant's Obligations. Except for janitorial service to be provided by Landlord as part of Basic Services, Tenant shall maintain, repair and replace (as necessary), at its sole cost and expense, all portions of the Premises that are not Landlord's obligation under Section 8.1 (including, without limitation all Tenant Improvements, Alterations or additions to the Premises), to the extent necessary to maintain the Premises in the same condition as exists on the Commencement Date, reasonable wear and tear due to usage (but not damage) excepted. Tenant shall be responsible for the expense of installation, operation, and maintenance of its telephone and other communications cabling from the communications room for the Building to the Premises and throughout the Premises. Tenant's obligations under this Section include, without limitation, the replacement, at Tenant's sole cost and expense, of any portions of the Premises which are not Landlord's express responsibility under Section 8.1, if it would be commercially prudent to replace, rather than repair, such portions of the Premises, regardless of whether such replacement would be considered a capital expenditure.

8.3 Costs. All costs incurred by Landlord to perform its obligations under Section 8.1 shall be included in Operating Expenses, subject to any exclusions set forth above. Tenant shall pay all costs incurred in connection with Tenant's obligations under Section 8.2. Further, notwithstanding anything to the contrary in this Section or elsewhere in this Lease, but subject to the waiver of claims and subrogation rights set forth in Section 14.5 below, Tenant shall bear the full cost of repairs or maintenance, interior or exterior, structural or otherwise, arising out of (a) the existence, installation, use or operation of any Tenant Improvements, Alterations or any of Tenant's trade fixtures or personal property; (b) the moving of Tenant's property or fixtures in or out of the Project or in and about the Premises; (c) the particular use or particular occupancy or manner of use or occupancy of the Premises by any Tenant Party; or (d) the negligent or intentional acts or omissions of any Tenant Parties. All costs payable by Tenant pursuant to this Section, shall be considered Additional Rent, and shall be paid to Landlord within thirty (30) days after receipt of Landlord's invoice with interest at the rate of twelve percent (12%) or the maximum rate allowed by Law (if lower) from the date Landlord incurs such costs until paid in full by Tenant.

8.4 No Abatement. There shall be no abatement of Rent with respect to any repairs, maintenance, alteration or improvement in or to any portion of the Project, including the Premises, or in or to the fixtures, appurtenances and equipment therein, except as provided in Section 18 which governs casualty events; provided, however, that in no event shall any such repairs, maintenance, alterations or improvements materially reduce the useable square feet of the Premises and further provided that if any such repairs, maintenance, alterations or improvements render any portion of the Premises untenantable or inaccessible for a period of 48 hours or more, Rent shall thereafter abate proportionately (based on the area of the Premises that Tenant is not reasonably able to use as a result) until such repairs, maintenance, or alterations are complete.

9. Alterations.

9.1 Consent Required. Tenant shall not make, or allow to be made, any alterations, physical additions or improvements or attach or install or allow any Tenant Party to attach or install any fixtures or equipment, including, without limitation, partitions, electronic, phone and data cabling and related wiring and equipment, in, about or to the Premises (collectively, "**Alterations**") without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed with respect to proposed Alterations which: (a) comply with all Laws; (b) are, in Landlord's reasonable opinion, compatible with the Project and Building Systems, and will not require any part of the Project or the Building Systems to be modified to comply with any Laws (including, without limitation, the ADA); (c) will not interfere with the use and occupancy of any other portion of the Project by any other tenant or occupant and (d) are not visible from outside the Premises. Tenant acknowledges that, except with respect to Tenant's Contractor, the construction of any Alterations performed by Tenant during the term of the Existing Mortgage, including the initial Tenant Improvements to be constructed pursuant to Exhibit C, shall be required to comply with the Union Labor Standards described in Exhibit I and Exhibit I-1 attached hereto. Specifically, but without limiting the generality of the foregoing, Landlord shall have the

right to review and approve all plans and specifications for the proposed Alterations, construction means and methods, all appropriate permits and licenses, any contractor or subcontractor to be employed on the work of Alterations, and the time for performance of such work. Tenant shall supply to Landlord any documents and information reasonably requested by Landlord in connection with Landlord's consideration of a request for approval hereunder. Tenant shall cause all Alterations to be accomplished in a first-class, good and workmanlike manner, and to comply with all Laws. Tenant shall at Tenant's sole expense, perform any additional work required under Laws, whether to the Premises, Building or Project, due to the Alterations hereunder. No review or consent by Landlord of or to any proposed Alteration shall constitute a waiver of Tenant's obligations under this Section. Tenant shall reimburse Landlord for all costs which Landlord may incur in connection with any such Alterations, including any costs or expenses which Landlord may incur to have outside architects and engineers review said plans and specifications, and shall pay Landlord an administration fee of 10% of the cost of the Alterations as Additional Rent hereunder. Tenant acknowledges that Tenant is not required to perform any particular tenant improvements or alterations to the Premises and that Tenant is not authorized to act as Landlord's common law agent or construction agent in connection with any work performed at the Premises, including any Tenant Improvements or any later Alterations.

9.2 Cosmetic Alterations. Notwithstanding Section 9.1, so long as Tenant complies with all other requirements of this Article, Tenant may paint or repaint the Premises, relocate movable partitions within the Premises for purposes of reconfiguring individual work areas in the Premises, replace and install floor coverings and perform other non-structural and/or cosmetic or decorative modifications to the Premises without Landlord's prior consent, so long as the aggregate cost of such Alterations does not exceed One Hundred Thousand Dollars ($100,000) in any calendar year.

9.3 Removal and Restoration. Any Alterations (including the Tenant Improvements to be constructed pursuant to the Work Letter attached hereto) shall remain the property of Tenant until the expiration or earlier termination of this Lease, at which time they shall be and become the property of Landlord; provided, however, that Landlord may, at Landlord's option, to be exercised by Landlord at the time such Alterations are approved by Landlord (if Landlord's approval is required), require that Tenant, at Tenant's expense, remove any or all Alterations made by or on behalf of Tenant and restore the Premises to their condition prior to the installation thereof by the expiration or earlier termination of this Lease, to their condition existing prior to the construction of any such Alterations. Landlord's failure to specify, at the time of Landlord's approval, which Alterations must be removed at the end of the Term shall constitute Landlord's waiver of its right to require Tenant to remove such Alterations, in which case they will become the property of Landlord upon expiration or earlier termination of this Lease. Any removals and restoration conducted by Tenant shall be accomplished in a first-class and good and workmanlike manner, and Tenant shall repair any resulting damage to the Premises or Project. If Tenant fails to remove such Alterations or Tenant's trade fixtures or furniture or other personal property, Landlord may keep and use them or remove any of them and cause them to be stored or sold in accordance with applicable Law, at Tenant's sole expense.

9.4 Taxes. Tenant shall pay, prior to delinquency, all taxes assessed against or levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant located in the Premises. Tenant shall assume and pay to Landlord at the time of paying Base Rent whether now existing or hereafter enacted any excise, sales, use, rent, occupancy, garage, parking, gross receipts or other taxes (other than net income taxes) which may be imposed on or on account of letting of the Premises or the payment of Base Rent or any other sums due or payable hereunder, and which Landlord may be required to pay or collect under any law now in effect or hereafter enacted. Tenant shall pay directly to the party or entity entitled thereto all business license fees, gross receipts taxes and similar taxes and impositions which may from time to time be assessed against or levied upon Tenant, as and when the same become due and before delinquency.

9.5 Procedures. Any Alterations performed by or on behalf of Tenant shall be scheduled in advance with Landlord and shall be completed in accordance with Landlord's then current rules and procedures governing construction in the Project including insurance requirements for all contractors and subcontractors. Tenant shall notify Landlord at least ten (10) days before the expected commencement date of any construction and shall permit Landlord to post and record a notice of non-responsibility in accordance with applicable Law. Upon substantial completion of construction, if the law so provides, Tenant shall cause a timely notice of completion to be recorded in the office of the recorder of the county in which the Building is located.

10. Signs.

For so long as Tenant leases the largest amount of rentable square footage in the Building, Tenant shall have the exclusive right to place its name and corporate logo on two sides of the Building (i.e., facing Boren Avenue and Stewart Street) (the "**Exterior Signage**") in accordance with City of Seattle code requirements for such building signage and in accordance with the approved exterior signage design drawings (the "**Exterior Signage Drawings**") attached hereto as Exhibit K-1, subject to any subsequent modifications approved by the parties in writing; provided, however, Tenant shall be solely responsible for obtaining any requisite permits or approvals from the City of Seattle for such Exterior Signage and for paying for all costs and expenses associated with obtaining and installing such Exterior Signage; provided, further, that once approved such Exterior Signage shall be installed by the Landlord's contractor who constructed the Building. Landlord shall reasonably cooperate with Tenant's efforts to obtain permits and approvals for the Exterior Signage. In addition, for so long as the Premises leased to Tenant are 80,000 rentable square feet or more, Tenant may add its name to the Buildings monument signage (the "**Building Monument Signage**"), in accordance with the approved building monument design drawings (the "**Building Monument Signage Drawings**") attached hereto as Exhibit K-2, subject to any subsequent modifications approved by the parties in writing. At the end of the Term (or in the event Tenant no longer qualifies for the Exterior Signage and Building Monument Signage based on its rentable square footage as provided above), Tenant shall be responsible for the costs and expenses to remove its Exterior Signage and Building Monument Signage. The plans and specifications for the installation of the signs shown in the Exterior Signage Drawings and Building Monument Signage Drawings shall be subject to Landlord's approval prior to the installation of such signage, which approval shall not be unreasonably withheld, conditioned or delayed. To the extent that the signage described above is not paid with the Allowance pursuant to Exhibit C, Tenant shall be responsible for paying for the costs of such signage. In addition to the foregoing signage, Landlord will provide to Tenant, at Landlord's expense, (a) one building standard tenant identification sign adjacent to the entry door of the Premises, and (b) one standard building directory listing. The signs will conform to Landlord's sign criteria. Landlord will maintain the signs in good condition and repair during the Term at Tenant's sole cost and expense. Tenant shall not place, install, affix or paint any other signs whatsoever or any window decor which is visible in or from public view or corridors, in or on the Common Areas, the exterior of the Premises or the Building without Landlord's prior written approval, in Landlord's sole discretion. Any installation of signs on or about the Premises or Project shall be subject to any Laws and to the Rules and Regulations any other requirements imposed by Landlord. Tenant shall remove all signs placed or installed by Tenant by the expiration or any earlier termination of this Lease, and Tenant shall repair any injury or defacement, including without limitation, discoloration caused by such installation or removal.

11. Inspection/Posting Notices.

Landlord and Landlord's agents and representatives, shall have the right to enter the Premises (a) to perform such work as may be permitted or required hereunder, (b) to deal with emergencies (in which event Landlord shall not be required to provide advance written notice), (c) to exhibit the Premises to present or prospective tenants, purchasers, or lenders (but with respect to prospective Tenants, only during the last twelve (12) months of the Term), and (d) to verify compliance by Tenant with this Lease and all Laws. In connection with any such entry, Landlord shall use reasonable efforts not to

unreasonably interfere with Tenant's business operations, and Tenant shall have a right to have a Tenant representative present. Except in an emergency or to perform regularly scheduled services or upon receipt of a service request from Tenant, Landlord will notify Tenant's designated personnel (which notice may be oral or electronic) at least twenty-four (24) hours prior to entering into the Premises. Landlord shall at all times have and retain a key (or electronic access device) with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem necessary or proper to open doors in an emergency to obtain entry to any portion of the Premises. Any entry to the Premises by Landlord shall not be construed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

12. Assignment and Subletting.

12.1 Consent Required. Except as provided in this Section 12, Tenant shall not assign, encumber, mortgage, pledge, license, hypothecate or otherwise transfer the Premises or this Lease whether voluntarily, by operation of law or otherwise, or sublease all or any part of the Premises, or permit the use or occupancy of the Premises by any party other than Tenant (each a "**Transfer**"), without the prior written consent of Landlord which shall not be unreasonably withheld, conditioned, or delayed; provided, however, Tenant shall have no right to Transfer this Lease if there is an uncured Event of Default at the time Tenant requests Landlord's consent. Notwithstanding the foregoing, Tenant may permit the use of all or any portion of the Premises by any subsidiary, parent, contractor, or other affiliate which controls, is controlled by, or is under common control with, Tenant , without Landlord's consent. In agreeing to act reasonably, Landlord is agreeing to act in a manner consistent with reasonable standards followed by large institutional owners of commercial real estate and Landlord is permitted to consider the financial terms of the Transfer and the impact of the Transfer on Landlord's own leasing efforts and the value of the Project. In exercising such right of approval or disapproval, Landlord shall be entitled to take into account any reasonable factor Landlord deems relevant to such decision, including but not limited to the following, all of which are agreed to be reasonable factors for Landlord's consideration: (i) the financial strength of the proposed assignee or subtenant, including but not limited to the adequacy of its working capital to pay all expenses anticipated in connection with any proposed remodeling of the Premises; (ii) the business reputation, character, history and nature of the business of the proposed assignee or subtenant; (iii) whether the proposed assignee or subtenant is a person with whom Landlord has negotiated for space in the Building during the six (6) month period ending with the date Landlord receives notice of such proposed assignment or subletting; (iv) whether the proposed assignee or subtenant is a governmental entity or agency (provided that the foregoing restriction shall not apply at any time any portion of the Building is then being leased to or occupied by any governmental agency); (v) the proposed use of the Premises by such proposed assignee or subtenant and the compatibility of such proposed use with Landlord's strategic plan for the Project; (vi) whether the proposed use would cause a violation of any other rights granted by Landlord to other tenants; (vii) whether the proposed use of the Premises would adversely impact the parking or other aspects of the Project; and (viii) Landlord's reasonable determination that each and every covenant, condition, or obligation imposed upon Tenant by this Lease and each and every right, remedy, or benefit afforded Landlord by this Lease is not impaired or diminished by such assignment or subletting. In no event may Tenant enter into a Transfer if an Event of Default is outstanding under this Lease. Landlord may condition its consent to any proposed Transfer on such conditions as Landlord may reasonably require including cure of any outstanding defaults, receipt of additional security and/or a lease guaranty (if reasonable under the circumstances), changes to the floor plan of the subleased space to ensure that the subleased premises consist of a leasable increment of space, and reaffirmation of any guaranty by any guarantor of Tenant's obligations. Notwithstanding the foregoing, so long as Landlord does not have similar competitive space available in the Building, Tenant shall have the right to assign or sublease to, or from, any other tenant in the Building, subject to Landlord's prior written reasonable consent; provided, however, Landlord shall not impose any restriction on the terms and conditions of such assignment and subleasing rights regarding minimum rent thereunder or further subleasing or assignment thereof.

12.2 Ownership Transactions; Permitted Transfers. Unless Tenant is a corporation that is publicly traded on a reputable United States stock exchange, any sale, assignment, transfer, sublease or disposition, whether for value, by operation of law, gift, will, or intestacy in a single transaction or a series of related transactions or within any twelve (12) month period, of fifty percent (50%) or more of the ownership interests in Tenant or of operating control over Tenant (whether by management agreement, stock sale or other means) shall be deemed to constitute a Transfer. However, and notwithstanding anything to the contrary in this Lease, (i) no transfer, sale, or other disposition of the stock of Tenant occurring in connection with or as a result of a private or public offering or placement of Tenant's stock, the principal purpose of which is to raise capital for Tenant and not to effect a change in control of Tenant, shall be deemed an assignment of this Lease or otherwise require Landlord's consent, and (ii) so long as such Transfer is not effectuated as part of a transaction or series of transactions orchestrated in order to avoid the requirement to obtain Landlord's consent to a Transfer, Tenant may, without obtaining Landlord's advance consent, enter into a Transfer to any other entity which (a) controls or is controlled by Tenant; or (b) is controlled by Tenant's parent company; or (c) purchases all or substantially all of the assets of Tenant; or (d) purchases all or substantially all of the ownership interests of Tenant (each of which is referred to herein as a "**Permitted Transfer**" and the transferee under any Permitted Transfer is referred to herein as a "**Permitted Transferee**"). In connection with any Permitted Transfer: (i) Tenant shall continue to remain fully liable under the Lease, on a joint and several basis with the assignee or acquirer of such assets or stock; (ii) the terms of any Guaranty to this Lease shall remain unmodified and in full force and effect and upon request the Guarantor shall reaffirm its guaranty in writing; and (iii) the tangible net worth of the transferee shall not be less than the tangible net worth of Tenant as of the date immediately prior to such Permitted Transfer. Tenant must give Landlord at least thirty (30) days written notice in advance of any such Permitted Transfer (if permissible in accordance with the terms of the transaction pursuant to which such Permitted Transfer arises; otherwise Tenant shall so advise Landlord as soon as reasonably possible thereafter), and must provide evidence reasonably satisfactory to Landlord that the transaction qualifies as a Permitted Transfer. In addition, if Tenant is merged or consolidated with another entity, in accordance with applicable statutory provisions governing merger or consolidation of entities, such Transfer shall be a Permitted Transfer, so long as (A) Tenant's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation; and (B) Tenant demonstrates to Landlord's reasonable satisfaction that the tangible net worth of the surviving or created entity is not less than the tangible net worth of Tenant as of the date immediately prior to such merger or consolidation.

12.3 Procedures. Tenant must request Landlord's consent to Transfer, except for a Permitted Transfer, in writing at least sixty (60) days prior to the effective date of the proposed Transfer, which request must include: (a) the name and address of the proposed assignee or subtenant; (b) the nature and character of the business of the proposed assignee or subtenant; (c) financial information (including financial statements) of the proposed assignee or subtenant; (d) a copy of the proposed sublet or assignment agreement; and (e) any additional information Landlord reasonably requests regarding such proposed assignment or subletting (the "**Transfer Notice**"). Each assignment or sublease must be in substance and form reasonably acceptable to Landlord and shall include, among other provisions, (i) that the original Lease controls, (ii) that the sublease is subordinate to the Lease, (iii) that Tenant remains liable under the Lease, and (iv) that Landlord's liability is not increased in any manner by said sublease. Within thirty (30) days after Landlord receives the Transfer Notice (with all required information included), Landlord shall have the option: (A) to grant its consent in writing to the proposed Transfer; (B) effective as of the effective date of any proposed Transfer, to terminate this Lease if the Transfer is an assignment of all or substantially all of Tenant's interest in this Lease for all or substantially all of the then-remainder of the Term other than in connection with a Permitted Transfer; or (C) to deny its consent in writing to the proposed Transfer on any reasonable basis, so long as Landlord's reasons for such denial

are included in such written notice. If Landlord approves the Transfer, Tenant and the transferee shall execute Landlord's customary form of consent that is consistent with the foregoing. If Landlord does not respond to the Transfer Request within thirty (30) days, Landlord shall be deemed to have approved the proposed Transfer. If Landlord elects to terminate the Lease as permitted above, such termination shall be effective upon the effective date proposed by Tenant in the Transfer Notice, unless otherwise agreed by Landlord and Tenant. Upon a termination, Landlord may lease the Premises to any party, including parties with whom Tenant has negotiated an assignment or sublease, without incurring any liability to Tenant.

12.4 Conditions: Each Transfer is subject to all of the following terms and conditions:

(a) If Landlord approves a Transfer, Tenant shall pay to Landlord as Additional Rent fifty percent (50%) of the amount, if any, by which the rent, any additional rent and any other sums payable by the assignee or subtenant to Tenant under such assignment or sublease, after deduction of Tenant's actual and documented out of pocket costs incurred in connection with such assignment of sublease, exceeds the total of the Base Rent plus any Additional Rent payable by Tenant hereunder which is allocable to the portion of the Premises which is the subject of such assignment or sublease. The foregoing payments shall be made on a monthly basis by Tenant. Landlord shall have the right to review all records which support said payments.

(b) No consent to any Transfer shall constitute a waiver of the provisions of this Article, and all subsequent Transfers may be made only in accordance with the provisions of this Section 12. Consent by Landlord shall not be construed to permit reassignment or resubletting by a permitted assignee or sublessee. No portion of the Premises may be sub-sublet.

(c) Tenant shall remain liable for all Lease obligations, and, without limitation, any guaranty of this Lease (if any) shall be unaffected by such Transfer and shall remain in full force and effect for all purposes. An assignee of Tenant, at the option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no Transfer by Tenant shall relieve Tenant of any liability hereunder.

(d) Any Transfer in violation of this Section 12 shall be voidable by Landlord and shall, at the option of Landlord, constitute a default under this Lease. Following any Transfer, Landlord may collect rent from the assignee, transferee, subtenant or occupant and apply the net amount collected to rent, but no such collection shall be deemed a waiver of this covenant, acceptance of the assignee or subtenant hereunder, or release of Tenant hereunder.

(e) The term of any Transfer shall not extend beyond the Term.

(f) Tenant shall pay to Landlord a Five Hundred Dollar ($500) processing fee, which shall accompany the Transfer Notice. Tenant shall reimburse Landlord upon demand for any additional out-of-pocket costs above and beyond the processing fee (not to exceed $2,500 in connection with Landlord's review of any subleasing request by Tenant) incurred by Landlord in connection with such request, including legal fees, without regard to whether Landlord gives its consent.

(g) The proposed assignee or subtenant shall provide Landlord with the names of all persons holding a ten percent (10%) or greater ownership interest in the assignee or subtenant for purposes of compliance with Presidential Executive Order 13224 (for so long as such Presidential Executive Order remains in effect) and must confirm in writing satisfactory to Landlord that all of the representations and warranties in Section 35 below are true and correct with respect to the proposed assignee or subtenant and agreeing to be bound by terms and conditions of Section 35.

(h) Landlord's denial of consent to a proposed Transfer shall not cause a termination of this Lease. At the option of Landlord, a surrender and termination of this Lease shall operate as an assignment to Landlord of some or all subleases or subtenancies. Landlord shall exercise this option by giving notice of that assignment to such subtenants.

12.5 No Leasehold Financing. Tenant shall not encumber, pledge or mortgage the whole or any part of the Premises or any alterations or equipment therein or this Lease, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole discretion.

13. Financial Statements.

Tenant shall provide to Landlord copies of Tenant's most recent annual audited financial statements as follows: (1) in connection with any reduction of the Letter of Credit or Security Deposit as provided in Section 42.4 and Section 42.5, respectively (as set forth in Exhibit E attached hereto); and (2) in connection with any agreement for the sale or refinancing of the Project by Landlord. Any information disclosed in such financial statements shall be subject to commercially reasonable confidentiality provisions, provided that Landlord shall be permitted to disclose such financial statements to a third party purchaser or debt or equity financer of the Project (but not as part of the general marketing of the project for sale or refinancing).

14. Insurance.

14.1 Landlord's Insurance. All insurance maintained by Landlord shall be for the sole benefit and under the control of Landlord. Landlord agrees to maintain property insurance insuring the Building against such risks and with such coverage as Landlord or any secured lender deems necessary or desirable from time to time to protect their interests, but in all events such coverage shall, at minimum, be consistent with coverages maintained by reasonably prudent owners of similar first class improved properties. Such insurance may include earthquake, pollution and/or flood insurance, and loss of rents coverage, in each case in amounts selected from time to time by Landlord. At its election, Landlord may also provide liability insurance and such other insurance as it deems necessary or desirable to protect its interests. Landlord shall not be obligated to insure, and shall have no responsibility whatsoever for any damage to, any furniture, machinery, goods, inventory or supplies, or other personal property or fixtures which Tenant may keep or maintain in the Premises, or any Alterations within the Premises.

14.2 Tenant's Insurance. Tenant shall, during the Term, procure at its expense and keep in force the following insurance:

(a) Commercial general liability insurance naming Landlord as an additional insured against any and all claims for bodily injury and property damage occurring in, or about the Premises arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence with a Two Million Dollars ($2,000,000) aggregate limit and excess umbrella liability insurance in the amount of Five Million Dollars ($5,000,000). Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Tenant under this Lease.

(b) Personal property insurance insuring all Tenant Improvements and Alterations and all equipment, trade fixtures, inventory, fixtures, and personal property located on or in the Premises for perils covered by the causes of loss—special form (all risk) and in addition, coverage for flood, wind, earthquake, terrorism and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing.

(c) Business interruption and extra expense insurance for a period of not less than six (6) months in such amounts to reimburse Tenant for direct or indirect loss attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or the Building as result of such perils.

(d) Workers' compensation insurance in accordance with statutory law and employers' liability insurance with a limit of not less than One Million Dollars ($1,000,000) per accident, One Million Dollars ($1,000,000) disease policy limit, and One Million Dollars ($1,000,000) disease limit each employee.

14.3 Requirements. The policies required to be maintained by Tenant shall be with companies ratedA-X or better by A.M. Best. Insurers shall be licensed to do business in the state in which the Premises are located and domiciled in the USA. Any deductible amounts under any insurance policies required hereunder shall not exceed Two Thousand Five Hundred Dollars ($2,500). Certificates of insurance shall be delivered to Landlord prior to the Commencement Date and annually thereafter at least prior to the policy expiration date. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Premises on a per location basis and to Landlord as required by this Lease. Each policy of insurance shall provide notification to Landlord at least thirty (30) days (or such other minimum notice period required by law) prior to any cancellation or modification to reduce the insurance coverage.

14.4 Failure of Tenant to Purchase Insurance. If Tenant does not purchase the insurance required by this Lease or keep the same in full force and effect, and such failure continues for three (3) business days after written notice from Landlord to Tenant, Landlord may, but shall not be obligated to, purchase the necessary insurance and pay the premium solely to protect Landlord's interests. Landlord shall have no duty to purchase insurance to protect Tenant's interests or to obtain the lowest available premiums. Tenant shall repay to Landlord, as Additional Rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all reasonable expenses (including attorneys' fees) and damages which Landlord may sustain by reason of the failure of Tenant to obtain and maintain such insurance.

14.5 Subrogation. Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss of, or damage to, either party's property, to the extent that such loss or damage is actually insured against or is required to be insured against under this Lease (or if either party elects to self-insure any property coverage required) at the time of such loss or damage. Each party shall obtain any special endorsements, if required by its insurer, whereby the insurer waives its rights of subrogation against the other party. The provisions of this section shall not apply in those instances in which waiver of subrogation would cause either party's insurance coverage to be voided or otherwise made uncollectible.

14.6 Alterations. If Tenant wishes to perform any Alterations, Tenant shall deliver to Landlord, prior to commencing such Alterations evidence satisfactory to Landlord that Tenant carries "Builder's Risk" insurance covering construction of such Alterations in an amount and form approved by Landlord.

15. Indemnity; Liability.

15.1 Tenant's Indemnity. Tenant shall indemnify, defend, and hold harmless Landlord and its property manager and each of their officers, directors, partners, agents, and employees (collectively, the "**Landlord Parties**") from all damages, costs, and expenses (including reasonable attorney fees), judgments, injuries, liabilities, claims, and losses (collectively, "**Tenant Indemnity Claims**"): (a) arising within the Premises; (b) arising from Tenant's use or control of the Premises or the conduct of Tenant's business or from any activity, work or thing done, permitted, or suffered by Tenant in or about the Premises or any part of the Project; (c) arising from any act, neglect, fault, or omission of Tenant or its agents, employees, or contractors; (d) intentionally omitted; or (e) arising out of any breach of any provision of this Lease by Tenant; provided, however, that Tenant's obligation to indemnify, defend, and

hold harmless shall not apply to Tenant Indemnity Claims arising from the gross negligence or willful misconduct of any of the Landlord Parties. If and to the extent RCW 4.24.115 is deemed to apply to this Lease, the foregoing indemnity and hold harmless provision shall not be construed to require Tenant to provide indemnification or a impose a duty to defend a Landlord Party against Tenant Indemnity Claims to the extent arising from the indemnitee's sole negligence.

15.2 Landlord's Indemnity. In addition to any other indemnity obligations of Landlord provided elsewhere in the Lease, and notwithstanding that joint or concurrent liability may be imposed upon Tenant by statute, ordinance, rule, regulation or order, Landlord shall indemnify, defend, hold harmless and reimburse Tenant, its shareholders, officers, partners, members, employees and agents from and against and for any and all liabilities, obligations, penalties, fines, suits, claims, demands, actions, costs and expenses of any kind or nature including without limitation reasonable attorneys' fees (collectively, "**Landlord Indemnity Claims**") which may be imposed upon or asserted against Tenant by reason of any of the following: (i) any matters occurring prior to the date of this Lease; (ii) any breach, violation or non-performance by Landlord of any covenant or agreement in this Lease; (iii) any negligence or wrongful act or omission on the part of Landlord or any of its agents, contractors, employees, invitees, or anyone claiming through any of them; (iv) any work or thing done by or for Landlord in, on or about the Premises, Building, Project, Land, or any common areas thereon, or on any sidewalk, plaza, street, alley, curb, passageway, common area, or space adjacent thereto, or any part thereof; (v) any accident, personal injury, bodily injury, or property damage occurring in the Building, Project, or Common Areas, other than the Premises; (vi) the use or occupancy, or manner of use or occupancy, or conduct or management of the Building or Land or of any business therein by Landlord; and (vii) any Hazardous Materials in, on, under, or around the Premises, Building, Project, or Land other than those introduced by Tenant or its agents, employees or contractors, in violation of law. Landlord shall, at its own expense, defend all alleged or actual inquiries, investigations, demands, suits or actions brought against Tenant, and if Landlord fails to do so, Tenant (at its option, but without being obligated to do so) may, at the expense of Landlord and upon notice to Landlord, defend such inquiries, investigations, demands, suits or actions, and Landlord shall pay and discharge any and all penalties, fines, judgments and/or settlements that arise therefrom. The foregoing Landlord indemnifications shall not apply to any Landlord Indemnity Claims to the extent caused by (A) Tenant's breach of this Lease, or (B) the gross negligence or willful misconduct of Tenant or its agents, contractors, or employees.

15.3 Washington State Industrial Insurance Act. Solely for the purpose of effectuating the parties' respective indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of either party), each party agrees not to assert as a defense any immunity provided under the Washington State Industrial Insurance Act, Title 51 of the Revised Code of Washington and the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any employees or any third party under such act or any similar Law.

15.4 Exemption of Landlord from Liability. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be liable (a) for any damage caused by other tenants in or about the Project or Premises, or (b) for indirect, consequential or punitive damages arising out of any loss of use of the Project or Premises or any equipment or facilities therein by Tenant or any person claiming through or under Tenant. To the extent of any insurance required to be carried by Tenant under this Lease, Tenant shall look to such insurance policies, and not to Landlord, for any loss incurred by Tenant as a result of damage to its property or interruption of its business.

16. Condemnation.

Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi public use under Law, by eminent domain, sales under threat of eminent domain or private purchase in lieu thereof (a "**Taking**") and as a result of the Taking the Premises are no longer suitable for Tenant's use. Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Project which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Project. The terminating party shall provide written notice of termination to the other party within forty-five (45) days after it first receives notice of final scope of the Taking. A taking of the entire Premises for the remainder of the Term shall automatically terminate this Lease. The termination shall be effective on the date the physical taking occurs. If this Lease is not terminated, Base Rent and Tenant's Share shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, however, Tenant may file a separate claim for Tenant's Personal Property (as defined in Section 18) and Tenant's reasonable relocation expenses, provided the claim is processed in a separate proceeding and does not diminish the amount of Landlord's award. The provisions of this Section are Tenant's sole and exclusive rights and remedies in the event of a Taking and Tenant waives the benefits of any Law or judicial decision that provides Tenant any abatement or termination rights or any right to receive any payment or award (by virtue of a Taking) not specifically described in this Lease.

17. Damage or Destruction.

17.1 Restoration. If the Project is damaged by fire or other insured casualty, Landlord shall, within thirty (30) days thereafter, provide an estimate to Tenant of the length of time Landlord will need to complete its repair and restoration obligations set forth below ("**Landlord's Estimate**"). If insurance proceeds have been made available therefor by the holder or holders of any mortgages or deeds of trust covering the Premises or the Project, the damage shall be repaired by Landlord to the extent such insurance proceeds are available therefor and provided such repairs can, in Landlord's reasonable opinion, be completed within two hundred seventy (270) days after the necessity for repairs as a result of such damage becomes known to Landlord without the payment of overtime or other premiums. From the date of the damage until such repairs are completed, Rent shall be abated in proportion to the part of the Premises which is unusable by Tenant in the conduct of its business. However, to the extent such damage was caused by Tenant, its employees, agents, contractors, guests, and invitees, there shall be no abatement of Rent, unless and to the extent Landlord receives rental income insurance proceeds; provided, further, if Landlord does not receive such rental income insurance proceeds as a result of Landlord's failure to make a timely claim under its insurance, then such condition to Rent abatement under this Section 17.1 shall not apply. Landlord's obligation to make repairs under this Article is limited to the base Building, Common Areas and the interior improvements to the Premises that are covered by Landlord's insurance. Upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Article 14 above (or, if Tenant has failed to carry the insurance required under suchArticle 14, Tenant shall pay to Landlord the amount which Tenant would have received as insurance proceeds had Tenant carried such required insurance) with respect to any Tenant Improvements and Alterations in the Premises in which case Landlord shall manage restoration of such Tenant Improvements and Alterations to the extent of such proceeds. If the amount assigned (or paid) to Landlord pursuant to the immediately preceding sentence is insufficient to repair the Tenant Improvements or Alterations within the Premises, and Tenant does not covenant to supply the difference upon completion of restoration, Landlord shall have the right to terminate this Lease upon written notice to Tenant.

17.2 Termination. If Landlord's Estimate indicates that repairs cannot, in Landlord's opinion, be completed within two hundred seventy (270) days after the necessity for repairs as a result of such damage becomes known to Landlord without the payment of overtime or other premiums, then either party may elect to terminate this Lease, by notifying the other party in writing of such termination within thirty (30) days after Tenant's receipt of Landlord's Estimate (it being agreed that Landlord may, but shall not be required to, include such election to terminate in Landlord's Estimate). If Landlord so elects to terminate this Lease, the effective date of termination shall be sixty (60) days after the date of such

election except as to which the parties may otherwise agree, and on such date Tenant shall vacate the Premises. In addition, Landlord may elect to terminate this Lease by written notice to Tenant given within thirty (30) days of the date of the damage if the Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies, and the uninsured cost to restore same exceeds $ 500,000. Finally, if the Premises or the Project is damaged during the last twelve (12) months of the Term and the cost to repair or restore same (whether or not insured) exceeds $ 500,000, then notwithstanding anything contained in this Article to the contrary, either party shall have the option to terminate this Lease by giving written notice to the other party of the exercise of such option within thirty (30) days after the date of such damage. A total destruction of the Project shall automatically terminate this Lease.

17.3 Limitations. Except as provided in this Article, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business or property arising from such damage or destruction or the making of any repairs, alterations or improvements in or to any portion of the Project or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant understands that Landlord will not carry insurance of any kind on Tenant's improvements, furniture, furnishings, trade fixtures or equipment, and that Landlord shall not be obligated to repair any damage thereto or replace the same. Except for proceeds of Tenant's insurance relating to Tenant's furniture, furnishings, trade fixtures and equipment which shall be used by Tenant to repair or replace the same unless this Lease is terminated, Tenant acknowledges that Tenant shall have no right to any proceeds of insurance relating to property damage.

17.4 Sole Remedy. This Section shall be Tenant's sole and exclusive remedy in the event of damage or destruction to the Premises or the Building and Tenant waives the benefits of any Law or judicial decision that provides Tenant any abatement or termination rights (by virtue of a casualty) not specifically described in this Section.

18. Surrender of Premises.

Tenant shall, upon expiration or sooner termination of this Lease, surrender the Premises to Landlord broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Tenant is not obligated to repair excepted. Without limiting the other provisions of this Section, (a) all space in the Premises shall be clean, well-maintained and presentable for re-leasing; (b) any damage in excess of ordinary wear and tear shall be repaired; (c) all damaged or inoperable window coverings shall be repaired or replaced; (d) any damaged ceiling tiles shall be replaced and all light fixtures shall be fully operational; (e) all doors and door hardware shall be operational and without visible damage; and (f) all interior partition glass shall be cleaned. No damage shall be considered ordinary wear and tear if it should have been repaired to satisfy the Tenant's ongoing obligation to maintain the Premises under this Lease. Tenant shall, at Tenant's sole cost, remove upon termination of this Lease, any and all of Tenant's furniture, work stations, furnishings, equipment, movable partitions of less than full height from floor to ceiling and other trade fixtures and personal property (collectively, "**Personal Property**"). Personal Property not so removed shall be deemed abandoned by Tenant and title to the same shall thereupon pass to Landlord under this Lease as by a bill of sale, but Tenant shall remain responsible for the cost of removal and disposal of such Personal Property, as well as any damage caused by such removal. At or before the time of surrender, Tenant shall comply with the terms of Section 9 hereof with respect to removal of Alterations from the Premises and all other matters addressed in such Section. All keys to the Premises or any part thereof shall be surrendered to Landlord upon expiration or sooner termination of the Term. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Premises and shall meet with Landlord for a joint inspection of the Premises at the time of vacating, but nothing contained herein shall be construed as an extension of the Term or as a consent by Landlord to any holding over by Tenant. If Tenant does not give such notice or participate in such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall conclusively be deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. If Tenant does not carry out its obligations under this Section before the Expiration Date, Landlord may consider Tenant to be in possession of the Premises until such work has been completed and the provisions of Section 19 shall apply.

19. Holding Over.

If Tenant, without the written consent of Landlord, holds over and does not surrender possession of the Premises upon the expiration of the Term or sooner termination of this Lease, then such holding over shall be treated as a month-to-month tenancy upon the terms and conditions set forth in this Lease except that the monthly Base Rent (or daily rent if Landlord does not elect to create a month to month tenancy) shall be equal to one hundred twenty five percent (125%) of the Base Rent owed to Landlord under this Lease immediately prior to such expiration or termination for the first 4 months of such hold over period and one hundred twenty five percent (150%) of the Base Rent owed to Landlord under this Lease immediately prior to such expiration or termination thereafter. Either party may thereafter terminate the tenancy as of the end of any calendar month by written notice to the other party at least thirty (30) days before the last day of the month. Notwithstanding the foregoing, Landlord may terminate the Lease at any time if Tenant is in default. Tenant shall be liable to Landlord for all damages that Landlord suffers because of any holding over by Tenant, and Tenant shall indemnify, defend and hold Landlord harmless from and against all claims (including actual damages and attorney fees and costs) resulting from Tenant's retention of possession, including, without limitation, Landlord's actual damages as a result of such prospective tenant rescinding or refusing to enter into the prospective lease of all or any portion of the Premises by reason of such failure of Tenant to timely surrender the Premises. Landlord may elect to treat Tenant as remaining in possession of the Premises until such time as Tenant completes its surrender obligations and removes all of its personal property from the Premises. The provisions of this Article shall not constitute a waiver by Landlord of any right of re-entry as provided in this Lease nor shall receipt of any Base Rent or Additional Rent or any other apparent affirmance of the tenancy operate as a waiver of Landlord's right to terminate this Lease for a breach of any terms, covenants, or obligations contained in this Lease on Tenant's part to be performed.

20. Default.

20.1 Events of Default. The occurrence of any of the following events shall constitute an "**Event of Default**" on the part of Tenant:

(a) Failure to pay any installment of Base Rent, Additional Rent or any other amount due and payable hereunder upon the date when said payment is due; provided, that Tenant shall have the opportunity to cure such default for a period of ten (10) days after written notice from Landlord to Tenant. Notwithstanding the foregoing or anything to the contrary contained herein, if Landlord provides Tenant with notice of Tenant's failure to pay any installment of Base Rent, Additional Rent or any other amount due and payable under this Lease three times during any 12 month period, Tenant's subsequent violation of such term, provision or covenant shall, at Landlord's option, be an incurable Event of Default by Tenant without notice.

(b) Failure to deliver any certificate, document, or instrument described in Sections 14, 23 or 24 following expiration of the applicable notice/cure period referenced therein.

(c) Failure to perform any obligation, agreement or covenant under this Lease (other than those matters specified in any other subparagraph of this Section), within thirty (30) days after written notice (except where a shorter period of time is specified in this Lease in which case such shorter period shall apply); provided, however, if Tenant's failure to perform cannot reasonably be cured within such 30-day period, Tenant shall be allowed such additional time (not to exceed 60 days) as is reasonably necessary to cure the failure so long as: (i) Tenant commences to cure the failure within such 30-day period, and (ii) Tenant diligently pursues a course of action that will cure the failure and bring Tenant

back into compliance with this Lease. Notwithstanding the foregoing, (A) if a specific time for performance or a different cure period is specified elsewhere in this Lease with respect to any specific obligation of Tenant, such specific performance or cure period shall apply with respect to a failure of such obligation in lieu of, and not in addition to, the cure period provided in this Section, and (B) the cure period specified in Section 22 shall apply with respect to Landlord's right to perform Tenant's covenants under Section 22.

(d) The occurrence of any of the following: (i) a general assignment by Tenant for the benefit of creditors; (ii) the filing of any voluntary petition in bankruptcy by Tenant or any general partner of Tenant, or the filing of an involuntary petition by Tenant's creditors which involuntary petition remains undischarged for a period of 60 days; (iii) the employment of a receiver to take possession of substantially all of Tenant's assets or the Premises, if such appointment remains undismissed or undischarged for a period of 60 days after the order therefore; (iv) the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or Tenant's leasehold of the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of 60 days after the levy thereof; (v) the admission by Tenant in writing of its inability to pay its debts as they become due.

(e) The default of Guarantor under any guaranty of this Lease, the death of any individual Guarantor or the dissolution of any entity Guarantor, the attempted repudiation or revocation of any such guaranty, or the participation by Guarantor in any other event described in this Section 20.1(e) (as if this Section 20.1(e) referred to such guarantor in place of Tenant) or the failure of any Guarantor to reaffirm its guaranty upon request; provided, however, that Tenant may cure such default by providing a new guaranty from an entity acceptable to Landlord.

(f) Any release or use of any Hazardous Material on or about the Project in violation of any Laws or this Lease by reason of the acts or omissions of Tenant or any Tenant Party.

(g) Any other event, act or omission which any other provision of this Lease identifies as an Event of Default.

20.2 Remedies.

(a) Upon an Event of Default, with or without further notice or demand, and without limiting any other of Landlord's rights or remedies, Landlord may:

(1) Terminate this Lease by written notice to Tenant, in which case Tenant shall immediately surrender the Premises to Landlord. No other action by Landlord shall be deemed to be an election to terminate this Lease. If Tenant fails to surrender the Premises, Landlord, in compliance with Law, may enter upon and take possession of the Premises and remove Tenant, Tenant's Personal Property and any party occupying the Premises. Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's default, including, without limitation, all Costs of Reletting (defined below) and any difference between the total Rent reserved herein and the rent (if any) actually received from reletting during the remainder of the Term hereof. "**Costs of Reletting**" shall include all reasonable costs and expenses incurred by Landlord in maintaining or preserving the Premises after an Event of Default, in recovering possession of the Premises, and in reletting or attempting to relet the Premises, including, without limitation, legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant, all of which to be prorated based on the then-remaining length of the then-current Term.

(2) Terminate Tenant's right to possession of the Premises and, in compliance with Law, remove Tenant, Tenant's Personal Property and any parties occupying the Premises. Landlord may (but shall not be obligated to) relet all or any part of the Premises for Tenant's account, without notice to Tenant, for such period of time and on such terms and conditions (which may include concessions, free rent and work allowances) as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the reletting. Tenant shall pay Landlord on demand all past due Rent, all Costs of Reletting and any difference between the total Rent reserved herein and the rent (if any) actually received from reletting during the remainder of the Term hereof. The re-entry or taking of possession of the Premises shall not be construed as an election by Landlord to terminate this Lease.

(3) Pursue any other legal or equitable remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Premises is located.

(4) Even though Tenant has breached this Lease and/or abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate this Lease or Tenant's right to possession and Landlord may enforce all of its rights and remedies under this Lease, including (but without limitation) the right to recover Rent as it becomes due. Acts of maintenance, preservation or efforts to lease the Premises or the appointment of receiver upon application of Landlord to protect Landlord's interest under this Lease shall not constitute an election to terminate this Lease or Tenant's right to possession.

(b) In lieu of calculating damages under Section 20.2(a), Landlord may elect to receive as damages in a single payment the sum of (i) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (ii) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term (discounted to present value at the "discount rate" of the Federal Reserve Bank of San Francisco in effect as of time of award plus one percent (1%)) minus the amount of such Rent loss that the Tenant proves could have been reasonably avoided and (iii) Landlord's anticipated Costs of Reletting, and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom.

20.3 Remedies Cumulative. No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any right or remedy granted to Landlord by statute or common law, and each and every such right and remedy will be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at law or in equity. All of Landlord's rights, privileges and elections or remedies are cumulative and not alternative, to the extent permitted by law and except as otherwise provided herein. The unenforceability of any provision hereof shall not render any other portion unenforceable. Landlord shall attempt to mitigate its damages to the extent required by law but shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant agrees that in connection with Landlord's duty to mitigate Landlord shall not be required (a) to lease to any party that does not satisfy Landlord's leasing standards, (b) to give priority treatment to the Premises over any other available space in the Project, (c) to expend any capital in an effort to mitigate its damages, (d) to lease the Premises to a replacement tenant for less than the then current fair market value of the Premises, or (e) to enter into a new lease for the Premises under any terms and conditions that are not reasonably acceptable to Landlord.

20.4 Late Charge. In addition to its other remedies, if any payment of Rent is not received when due, Landlord shall have the right without notice or demand to charge Tenant an amount equal to five percent (5%) of the delinquent amount for each late payment, or $150.00, whichever amount is greater, to compensate Landlord for the administrative costs caused by the delinquency. Tenant agrees that Landlord's damage by virtue of late payments would be extremely difficult and impracticable to compute and the amount stated herein represents a reasonable estimate thereof. Notwithstanding the foregoing, Tenant shall be entitled to a grace period of five (5) days for the first late payment of Rent in any calendar year. Any waiver by Landlord of any late charges or failure to claim the same shall not constitute a waiver of other late charges or any other remedies available to Landlord.

20.5 Default Rate. In addition to Landlord's other remedies, including the late charge provided above, Tenant shall pay Landlord interest on all sums of Rent not paid when due until paid to Landlord at an annualized rate of the lesser of (i) the greater of 12% or the "prime rate" announced from time to time by Bank of America or any other national bank selected by Landlord plus 5%, or (ii) the maximum rate permitted by law (the "**Default Rate**"). The provisions of this Section and of Section 20.4 above in no way relieve Tenant of the obligation to pay Rent on or before the date on which due.

20.6 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion. If Landlord remains in default after the foregoing 30-day period has expired, Tenant shall have any and all remedies available at law or equity (provided, however, that in no event shall Tenant have the right to abate or offset Rent or other charges due and payable under this Lease), including, without limiting the generality of the foregoing, the right to cure the default and make any necessary repairs or replacements to the Premises, and Landlord shall reimburse Tenant, on demand, for all of Tenant's costs and expenses incurred in connection with such cure, plus interest at the Default Rate. Notwithstanding the foregoing cure period, Tenant may cure any default, without notice to Landlord, where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially adversely affect the operation of Tenant's business on the Premises.

21. Liens.

Tenant shall not permit mechanics' or other liens to be placed upon the Project, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant, within ten (10) business days after receipt of written notice from Landlord of the filing of any such lien, shall fully discharge any lien by settlement, by bonding or by insuring over the lien in the manner prescribed by the applicable lien Law and reasonably acceptable to Landlord. If Tenant fails to do so, Landlord may bond, insure over or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorneys' fees.

22. Right of Landlord to Perform Tenant's Covenants.

If Tenant fails to perform any duty or obligation of Tenant under this Lease in a timely manner, Landlord may at its option, without notice except as provided below and without waiver of any default or breach nor any other right or remedy, perform any such duty or obligation on Tenant's behalf. Landlord shall provide Tenant with thirty (30) days' notice and opportunity to cure except in the case of an emergency when no prior notice by Landlord shall be required. Landlord may take such actions without any obligation and without releasing Tenant from any of Tenant's obligations. Tenant shall reimburse Landlord, within thirty (30) days after demand, for all sums so paid and all costs incurred by Landlord together with an administrative charge equal to five percent (5%) of such sums and interest on such sum at the Default Rate, such interest to accrue from the date of payment by Landlord until paid in full by Tenant. The taking of any such action shall not relieve Tenant of its liabilities and obligations under this Lease.

23. Subordination.

23.1 SNDA. Landlord represents and warrants to Tenant that the Mortgage (defined below) in favor of Union Labor Life Insurance Company dated July 5, 2013 and recorded as Instrument No. 20130705001512 of the Official Records of the County of King, Washington (the "**Existing Mortgage**"), is the only Mortgage encumbering the Premises, and Landlord is not in default under such Existing Mortgage or any loan document related thereto, and there is no event or condition that, with the giving of notice or the passage of time, or both, would constitute a default by Landlord thereunder. Concurrently with Landlord's execution and delivery of this Lease, Landlord shall deliver to Tenant a subordination,

nondisturbance and attornment agreement, executed by Landlord and Landlord's Mortgagee under the Existing Mortgage, in the form attached hereto as Exhibit H-1 ("**Initial SNDA**"). This Lease is and shall at all times be and remain subject and subordinate to the lien of any present or future deed of trust, mortgage or other security instrument (a "**Mortgage**") or any ground lease, master lease or primary lease (a "**Primary Lease**") (and to any and all advances made thereunder) upon the Project or the Premises, (the mortgagee under any Mortgage or the lessor under any Primary Lease is referred to herein as "**Landlord's Mortgagee**"), unless Landlord or Landlord's Mortgagee requires this Lease to be superior to any such Mortgage or Primary Lease; provided that, with respect to any Mortgage or Primary Lease not in effect as of the date hereof, Landlord's Mortgagee has executed, acknowledged and delivered to Tenant a subordination, non-disturbance and attornment agreement in commercially reasonable form that does not materially alter the rights or increase the obligations of Tenant under the Lease (including, without limitation, preservation of Tenant's rights and remedies with respect to receipt and/or nonpayment of the Allowance) ("**Future SNDA**"), which Future SNDA will be in substantially the same form as the Initial SNDA, except that the Future SNDA shall also provide that any Landlord's Mortgagee or its transferee or successor or assigns acquiring Landlord's Mortgagee's interest (a "**Landlord's Mortgagee Successor**") shall be responsible for the any letter of credit or security deposit provided by Tenant, whether or not actually received by and transferred to Landlord's Mortgagee or any Landlord's Mortgagee Successor. Tenant shall, within twenty (20) days after receipt of a written request therefor from Landlord, execute and return to Landlord, to execute, acknowledge and deliver any such Future SNDA, the effectiveness of which shall be conditioned on its execution by Landlord and such future Landlord's Mortgagee.

23.2 Attornment. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any Mortgage made by the Landlord covering the Premises, Tenant shall attorn to the purchaser at any such foreclosure, or to the grantee of a deed in lieu of foreclosure, and recognize such purchaser or grantee as the landlord under this Lease. Tenant hereby agrees that, provided Landlord and any such Landlord's Mortgagee had both previously executed and delivered written notice to Tenant that Landlord and such Landlord's Mortgagee have entered into a Mortgage relating to the Project, then such Mortgagee or its successor shall not be (a) bound by any payment of Base Rent or Additional Rent for more than one (1) month in advance, except to the extent such advance payment is expressly required under this Lease or has actually been transferred to such mortgagee or its successor, (b) except for those matters under which Tenant has an express right provided to Tenant under this Lease, bound by any amendment or modification of this Lease made without the consent of Landlord's mortgagee or its successor, (c) liable for any breach, act or omission of any prior landlord unless prior to the date of transfer of Landlord's interest in this Lease to such mortgagee or successor, (i) Tenant shall have delivered notice to Landlord's Mortgagee of such default and the time to cure such default has passed, or (ii) such default is of a continuing nature (such as repair and maintenance obligations) and continues after the date of the transfer of the landlord's interest under this Lease, or (d) subject to any claim of offset or defenses that Tenant may have against any prior landlord (except with respect to payment or nonpayment of the Allowance).

23.3 Successors. For the purposes of this section, the term "**Successor Landlord**" shall mean the Landlord's Mortgagee if the same succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, or any third party that succeeds to the rights of Landlord under this Lease by virtue of having purchased the Project at a foreclosure sale. So long as Tenant is not in default of this Lease at the time of succession, the Successor Landlord shall accept Tenant's attornment, and shall not disturb Tenant's quiet possession of the Premises. Tenant shall attorn to and recognize such Successor Landlord as Tenant's Landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment.

23.4 Mortgagee Protection. Provided Landlord and a Landlord's Mortgagee had both previously executed and delivered written notice to Tenant that Landlord and such Landlord's Mortgagee have entered into a Mortgage relating to the Project, in the event of any uncured default on the part of Landlord, Tenant shall not exercise any right to abate or offset rent or claim constructive eviction under this Lease unless Tenant has given such Landlord Mortgagee, whose address shall have been furnished to Tenant, the same period of time to cure such default as Landlord has under this Lease, plus, with respect only to non-monetary defaults, thirty (30) days. If the default is one which is not capable of cure by the Landlord Mortgagee within such period because the Landlord Mortgagee is not in possession of the Building or Property, the aforementioned shall be extended to include the time needed to obtain possession of the Premises by the Landlord Mortgagee by power of sale, judicial foreclosure, or other legal action required to recover possession, but in no event more than sixty (60) additional days.

23.5 Miscellaneous. The provisions of Sections 23.2 through 23.4, inclusive, shall not apply to the extent inconsistent with the terms of any SNDA entered into between Tenant and any Landlord's Mortgagee.

24. Estoppel Certificates.

24.1 Execution. Within ten (10) business days after written notice from Landlord, Tenant agrees to execute, acknowledge and deliver to Landlord or any proposed investor, mortgagee or purchaser an estoppel certificate substantially in the form attached hereto as Exhibit H-2 ("**Estoppel Certificate**") or such other commercially reasonable form, certifying to the best of Tenant's actual knowledge the following: (a) whether this Lease is in full force and effect and, if it is in full force and effect, what modifications have been made to this Lease to the date of the certification; (b) whether any defaults or offsets exist with respect to this Lease and, if so, an explanation of such default or offset right; (c) the dates to which rent or other charges have been paid; (d) whether Landlord is in default and, if so, specifying what the default may be; and (e) any other factual information concerning the status of the Lease.

24.2 Failure to Execute. The failure of Tenant to execute, acknowledge and deliver to Landlord a statement as above, which failure continues for an additional period of five (5) business days after a second written notice from Landlord to Tenant, shall constitute a default by Tenant hereunder.

25. Limitation of Liability.

Notwithstanding anything in this Lease to the contrary, any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder or any claim, cause of action or obligation, contractual, statutory or otherwise by Tenant against Landlord concerning, arising out of or relating to any matter relating to this Lease and all of the covenants and conditions or any obligations, contractual, statutory, or otherwise set forth herein, shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in and to the Project. No other property or assets of Landlord and no property or assets of any Landlord Party or any member, officer, director, shareholder, partner, trustee, agent, servant or employee of any Landlord Party shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, Landlord's obligations to Tenant, whether contractual, statutory or otherwise, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises.

26. Transfers By Landlord.

In the event of a sale or conveyance by Landlord of the Building or a foreclosure by any creditor of Landlord, the same shall operate to release Landlord from any liability for any of the covenants or duties, express or implied, contained in this Lease, arising on or after the date on which title passes to Landlord's successor-in-interest. In such event, Tenant agrees to look solely to the successor-in-interest of Landlord under this Lease with respect to the performance of the covenants and duties of Landlord to be performed thereafter. Each Landlord shall be liable only for obligations arising during its period of ownership.

27. Waiver.

If either Landlord or Tenant waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, or constitute a course of dealing contrary to the express terms of this Lease. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord. The acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or limit the right of Landlord to insist thereafter upon strict performance by Tenant.

28. Notices.

Except as otherwise expressly provided in this Lease, any bills, statements, notices, demands, requests or other communications given or required to be given under this Lease shall be effective only if rendered or given in writing, sent by certified mail, return receipt requested, reputable overnight carrier, or delivered personally, (a) to Tenant, (i) at Tenant's address set forth in the Basic Provisions, if sent prior to Tenant's taking possession of the Premises, or (ii) at the Premises if sent subsequent to Tenant's taking possession of the Premises, or (iii) to Tenant's last known address or to its registered agent in the State of Washington if sent subsequent to Tenant's vacating, deserting, abandoning or surrendering the Premises; or (b) to Landlord at Landlord's addresses set forth in the Basic Provisions or to such other addresses as Landlord may designate by notice given in accordance with the provisions of this Section. Any such bill, statement, notice, demand, request or other communication shall be deemed to have been rendered or given on the date the return receipt indicates delivery of or refusal of delivery if sent by certified mail, the day upon which delivery of the notice from a reputable overnight carrier is accepted and signed for, or on the date a reputable overnight carrier indicates refusal of delivery, or upon the date personal delivery is made to the applicable address. Service of all default notices and notice of commencement of unlawful detainer proceedings may be accomplished in any manner permitted or prescribed by applicable Law. Notices from Landlord to Tenant may be given by Landlord's property manager or its legal counsel with the same force and effect as if signed by Landlord. Notices from Tenant to Landlord may be given by Tenant's legal counsel with the same force and effect as if signed by Tenant.

29. Attorneys' Fees.

If Tenant or Landlord places the enforcement of this Lease or any part thereof, or the collection of any Rent due or to become due hereunder, or recovery of possession of the Premises, in the hands of an attorney or collection agency, or brings any action for any relief against the other, declaratory or otherwise, arising out of this Lease and whether such litigation sounds in tort or in contract, the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees and costs (including without limitation collection agency costs, court costs, and fees of appraisers, experts and accountants). This obligation to pay fees and costs shall be deemed to have accrued on the earlier of the placement of such matter in the hands of an attorney or collection agency or the commencement of such action and shall be paid whether or not an action or lawsuit is prosecuted to judgment. "**Prevailing party**" within the meaning of this Section shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of all or part of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action. As used herein, attorneys' fees and costs shall include, without limitation, attorneys' fees, costs, and expenses incurred in connection with any post judgment motions, contempt proceedings, garnishment, levy, and debtor and third party examination, discovery, and bankruptcy litigation or similar proceedings.

30. Successors and Assigns.

This Lease shall be binding upon and inure to the benefit of Landlord, its successors and assigns, and shall be binding upon and inure to the benefit of Tenant, its successors and, to the extent assignment is effectuated in accordance with the terms of this Lease, Tenant's assigns.

31. Force Majeure.

This Lease and the obligations of the parties hereunder shall not be affected or impaired because the a party is unable to fulfill any of its obligations hereunder or is delayed in doing so, to the extent such inability or delay is caused by reason of war, civil unrest, strike, labor troubles, unusually inclement weather, governmental delays, inability to procure services or materials despite reasonable efforts, third party delays, acts of God, or any other cause(s) beyond the reasonable control of such party (which causes are referred to collectively herein as "**force majeure**"). Any time specified in this Lease shall be extended one day for each day of delay suffered as a result of the occurrence of any force majeure events provided that Tenant's obligation to pay Rent in a timely manner will not be extended by any force majeure events.

32. Hazardous Materials.

32.1 Definitions. As used in this Lease, the term "**Hazardous Material**" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "infectious wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations ("**Hazardous Material Laws**") including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

32.2 General Prohibition. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises or the Project by Tenant or any Tenant Party without the prior written consent of Landlord.

32.3 Indemnification. Tenant shall indemnify, defend and hold Landlord harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings and orders or judgments, arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants', and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or liabilities or losses (economic or other) arising from a breach of the prohibition in this Article by Tenant or any Tenant Party. The indemnification obligations of Tenant contained in this Article shall survive the expiration or termination of the Lease.

32.4 Obligation to Remediate. If Hazardous Materials are discovered upon, in, under, or migrated from the Premises or the Project, and the applicable governmental agency or entity having jurisdiction over the Premises or the Project requires the removal of such Hazardous Materials arising out of or related to the use or occupancy or use of the Premises or Project by Tenant or any Tenant Party, Tenant shall at its sole cost and expense remove such Hazardous Materials, and perform any remediation or other action required by the applicable governmental agency or reasonably required by Landlord necessary to make full economic use of the Project. Notwithstanding the foregoing, Tenant shall not take any remedial action in or about the Premises or the Project, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Material in any

way connected with the Premises or the Project without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interest with respect thereto. Tenant immediately shall notify Landlord in writing of: (a) any spill, release, discharge, or disposal of any Hazardous Material in, on, or under the Premises or the Project, or any portion thereof; (b) any enforcement, cleanup, removal or other governmental or regulatory action instituted, contemplated, or threatened pursuant to any Hazardous Material Laws; (c) any claim made or threatened by any person against Tenant, the Premises or the Project relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (d) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, on or removed from the Premises or the Project, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant also shall supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, or asserted violations relating in any way to the Premises or the Project, or Tenant's use thereof.

32.5 Survival. Tenant's breach of any of its covenants or obligations contained in this Article shall constitute a material default under the Lease. The obligations of Tenant contained in this Article shall survive the expiration or earlier termination of the Lease without any limitation and shall constitute obligations that are independent and severable from Tenant's covenants and obligations to pay rent under the Lease.

33. Parking.

Parking for the Project will be provided in the underground parking garage ("**Garage**") which will be shared with other property owners and may be operated by Landlord or a third party ("**Garage Operator**"). Parking for the general public including Tenant's visitors and guests will be available on a space available basis at market rates. Landlord will coordinate with the Garage Operator to provide Tenant with the number of parking passes specified in the Basic Provisions. Fees required to be paid by Tenant as set forth elsewhere in this Lease, plus all applicable taxes and governmental charges, shall be paid by Tenant to Landlord or to the Garage Operator, as Additional Rent. Each parking pass shall entitle the holder thereof to park a passenger vehicle in the Garage on an unreserved basis. No specific spaces in the Garage shall be assigned to Tenant or its employees. The holders of Tenant's parking passes may not park in any spaces reserved for other users. Landlord shall have exclusive control over the day-to-day operations of the Garage. Landlord may make, modify and enforce reasonable rules and regulations relating to the Garage, and Tenant shall abide by, and shall cause its employees and invitees to abide by, such rules and regulations. In lieu of providing parking stickers or cards, Landlord may use any reasonable alternative means of identifying and controlling vehicles authorized to be parked in the Garage. Landlord may from time to time designate areas within the Garage for short term, visitor, or hotel parking only. Landlord may designate spaces for fuel efficient or plug in vehicles only. Landlord reserves the right to alter the size of the Garage and the configuration of parking spaces and driveways therein, provided that such alteration does not reduce the number of available parking passes or Tenant's Guaranteed Parking Passes. Landlord may assign any unreserved and unassigned parking spaces and/or make all or a portion of such spaces reserved or institute any other measures, including but not limited to valet parking, that Landlord determines are necessary or desirable to meet tenant requirements or orderly and efficient parking. If Landlord appoints a Garage Operator, the Garage Operator may exercise any rights granted to Landlord under this Section. Upon request, Tenant and each holder of a parking pass will execute and deliver a parking agreement with the operator of the Garage on the operator's standard form of agreement but which must otherwise be consistent with the terms and conditions of this Lease.

34. Telecommunications Lines.

34.1 Tenant Responsibility. All telephone and telecommunications services desired by Tenant will be arranged by Tenant and utilized at Tenant's sole cost, expense and risk from providers selected by Landlord to service the Building. Landlord will have no responsibility for the maintenance of Tenant's communications or computer wires, cables and related devices and equipment of any nature, wherever located on or about the Project ("**Lines**"), or for any other infrastructure to which Tenant's telecommunications equipment may be connected. Tenant shall not be required to remove any of its Lines and cabling from the Project upon expiration or earlier termination of this Lease or at such earlier time as Tenant stops using the Lines or cabling, and may abandon the same in place. All Lines must be properly labeled and must comply with all applicable laws. Landlord disclaims all responsibility for the condition or utility of the intra-building network cabling, including the primary telephone cables running between the main telephone room or rooms and a telecommunications closet on a floor of the Building and make no representation regarding the suitability of the same for Tenant's intended use. Except to the extent caused by the gross negligence or intentional misconduct of Landlord, Landlord will have no liability for damages arising from, and Landlord does not warrant that the Tenant's use of any Lines will be free from the following: (a) any shortages, failures, variations, interruption, disconnection, loss or damage caused by the installation, maintenance, replacement, use or removal of Lines by or for other tenants or occupants at the Building, by any failure of the environmental conditions or the power supply for the Building to conform to any requirements for the Lines or any associated equipment, or any other problems associated with any Lines by any other cause; (b) any failure of any Lines to satisfy Tenant's requirements; or (c) any eavesdropping or wire-tapping by unauthorized parties (collectively, "**Line Problems**"). Landlord will not be liable for damages or claims arising out of or in connection with any Line Problems except to the extent caused by the gross negligence or intentional misconduct of Landlord. Under no circumstances will any Line Problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant, cause any abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease.

34.2 Landlord's Rights. Landlord may (but will not have the obligation to): (a) install new Lines at the Building; (b) create additional space for Lines at the Building; (c) reasonably direct, monitor and/or supervise the installation, maintenance, replacement and removal of, the allocation and periodic re-allocation of available space (if any) for, and the allocation of excess capacity (if any) on, any Lines now or hereafter installed at the Building by Landlord, Tenant or any other person or entity; and (d) relocate active Lines used by Tenant from common telephone closets or Building riser spaces. Such rights are in addition to all other rights that may be available to Landlord by Law or otherwise. If Landlord exercises any such rights, Landlord may include all related costs (except for expenses incurred pursuant to clause (a) above) in Operating Expenses.

34.3 Landlord's Consent. Tenant may install, maintain, replace, remove, use or modify (each, a "**Line Change**") any portions of any Lines located outside the Premises only with Landlord's prior written consent, which shall not be unreasonably withheld. Any Line Change will be treated as an Alteration. If Landlord consents to a Line Change, Tenant will: (a) pay all costs in connection therewith (including all costs related to new Lines); (b) comply with all requirements and conditions of this Lease; and (c) use, maintain and operate the Lines at Tenant's cost. As soon as the work is completed, Tenant will submit "as-built" drawings to Landlord.

35. OFAC.

35.1 Tenant represents and warrants that (a) Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and (ii) is not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no person with a ten percent (10%) or more direct interest in Tenant is an Embargoed

Person, (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by law or that the Lease is in violation of law, and (e) Tenant has implemented procedures, and will consistently apply those procedures to ensure the foregoing representations and warranties remain true and correct at all times.

35.2 Tenant shall (a) comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this section or the preceding section are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not use funds from any "**Prohibited Person**" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease, and (d) at the request of Landlord, but at no cost to Tenant, provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

35.3 Tenant acknowledges and agrees that Tenant's inclusion on the List at any time during the Term shall be a material default of the Lease if not cured within thirty (30) days after written notice from Landlord. Notwithstanding anything herein to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be a material default of the Lease if not cured within thirty (30) days after written notice from Landlord.

35.4 The term Embargoed Person means any person, entity or government subject to trade restrictions under U.S. law, including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq*., The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq*., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law ("**Embargoed Person**").

35.5 This Article shall not apply to any person to the extent that such person's interest in Tenant is through a U.S. Publicly-Traded Entity. As used in this Agreement, "**U.S. Publicly-Traded Entity**" means an entity, other than an individual, whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such an entity.

36. Indoor Air Quality.

36.1 Maintenance of Indoor Air Quality. Landlord shall operate and maintain the heating, ventilation, and air conditioning system ("**HVAC System**") for the Premises in a manner sufficient to maintain an indoor air quality within the limits required by the American Society of Heating, Air Conditioning and Refrigeration Engineers (ASHRAE) standard applicable to comparable first class mixed use projects in effect as of the date hereof.

36.2 Notification by Tenant. Tenant shall notify Landlord within five (5) business days after Tenant first has knowledge of any of the following conditions at, in, on, or within the Premises: standing water, water leaks, water stains, humidity, mold growth, or any unusual odors (including, but not limited to, musty, moldy or mildew odors).

37. Miscellaneous.

37.1 Authority. Each party represents and warrants that it has full right and authority to enter into this Lease and to perform all of its obligations hereunder. Each party represents and warrants that each person signing this Lease on behalf of a party is authorized to do.

37.2 Time. Time is of the essence regarding this Lease and all of its provisions.

37.3 Choice of Law. This Lease shall be governed by the laws of the State of Washington.

37.4 Entire Agreement. This Lease contains all the agreements of the parties hereto and supersedes any previous negotiations. There have been no representations made by the Landlord or understandings made between the parties other than those set forth in this Lease.

37.5 Modification. This Lease may not be modified except by a written instrument signed by the parties hereto.

37.6 Severability. If, for any reason whatsoever, any of the provisions hereof shall be determined by a court to be unenforceable or ineffective, all of the other provisions shall remain in full force and effect.

37.7 No Recordation. Tenant shall not record this Lease; provided, however, Tenant shall be permitted to record a short form memorandum hereof in a form that is approved in writing by Landlord.

37.8 Accord and Satisfaction. No payment by Tenant of a lesser amount than the total Rent due nor any endorsement on any check or letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction of full payment of Rent, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue other remedies. Landlord may allocate all sums received from or on behalf of Tenant in any manner and in such order as Landlord deems appropriate and is not bound by any notation or allocation made by Tenant.

37.9 Easements. Landlord may grant easements on the Project and dedicate for public use portions of the Project without Tenant's consent provided that no such grant or dedication shall materially interfere with Tenant's Permitted Use of the Premises, materially decrease Tenant's other rights and privileges hereunder, or materially increase Tenant's costs.

37.10 Drafting Presumption. The parties acknowledge that this Lease has been agreed to by both the parties, that both Landlord and Tenant have consulted with or had ample opportunity to consult with attorneys with respect to the terms of this Lease and that no presumption shall be created against Landlord because Landlord prepared the first draft or any later draft of this Lease. Except in instances where a party has expressly agreed to act reasonably in any provision hereof, the party may act in its sole discretion. In any instance in which Landlord has agreed to act reasonably, Landlord is agreeing to act in a manner consistent with the standards followed by large institutional owners of commercial real estate and Landlord is expressly permitted to consider the financial impact of the decision on Landlord and the value of the Project.

37.11 No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to or in the vicinity of the Building shall in no way affect this Lease or impose any liability on Landlord.

37.12 No Third Party Benefit. This Lease is a contract between Landlord and Tenant and nothing herein is intended to create any third party benefit.

37.13 Quiet Enjoyment. Upon payment by Tenant of the Rent, and upon the observance and performance of all of the other covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, subject, nevertheless, to all of the other terms and conditions of this Lease. Landlord shall not be liable for any hindrance, interruption, interference or disturbance by other tenants or third persons, nor shall Tenant be released from any obligations under this Lease because of such hindrance, interruption, interference or disturbance.

37.14 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original.

37.15 Multiple Parties. If more than one person or entity is named herein as Tenant, such multiple parties shall be jointly and severally responsible for Tenant's obligations under this Lease.

37.16 Prorations. Any Rent or other amounts payable to Landlord by Tenant hereunder for any fractional month of the Term shall be prorated based on the actual number of days in such month.

37.17 Broker. Tenant represents that it has dealt directly with and only with the broker as identified as Tenant's broker in the Basic Provisions as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease. Landlord represents that it has dealt directly with and only with the broker as identified as Landlord's broker in the Basic Provisions as a broker in connection with this Lease. Landlord shall indemnify and hold Tenant harmless from all claims of any other brokers claiming to have represented Landlord in connection with this Lease. Landlord shall pay the brokers broker commissions in accordance with any separate written agreement between Landlord and its broker.

37.18 Jury Trial Waiver. EACH PARTY HERETO (WHICH INCLUDES ANY ASSIGNEE, SUCCESSOR HEIR OR PERSONAL REPRESENTATIVE OF A PARTY) SHALL NOT SEEK A JURY TRIAL AND HEREBY WAIVES TRIAL BY JURY. EACH PARTY FURTHER WAIVES ANY OBJECTION TO VENUE IN THE COUNTY IN WHICH THE BUILDING IS LOCATED, AND AGREES AND CONSENTS TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.

37.19 Execution By Landlord. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant. Landlord shall have no less than ten (10) business days after the execution of this Lease by Tenant and delivery thereof to Landlord to obtain its current lender's consent to this Lease, and if such consent is not obtained Landlord shall return the Security Deposit, Letter of Credit (if any), and any prepaid Rent to Tenant. Satisfaction of this condition shall be evidenced by Landlord's execution of this Lease and delivery thereof to Tenant, without any independent verification by Tenant being required.

37.20 Exhibits. The Exhibits, addenda and attachments attached hereto are hereby incorporated herein by this reference and made a part of this Lease as though fully set forth herein. Capitalized terms used in the Exhibits, addenda and attachments hereto, but not otherwise defined therein, shall have the same meanings as set forth in this Lease.

Exhibit A:	Outline and Location of the Premises
Exhibit B:	Legal Description of the Land
Exhibit C:	Work Letter
Exhibit C-1:	Base Building
Exhibit C-2:	Contractor's Insurance Requirements
Exhibit D:	Commencement Date Certificate
Exhibit E:	Additional Provisions
Exhibit F:	Transportation Management Plan
Exhibit G:	Sustainability Practices
Exhibit H-1:	Form of SNDA
Exhibit H-2:	Form of Estoppel Certificate
Exhibit I:	Union Labor Standards
Exhibit I-1:	List of Unions Affiliated with the Building and Construction Trades
Exhibit J:	Rules and Regulations
Exhibit K-1:	Approved Exterior Signage Drawings
Exhibit K-2:	Approved Building Monument Signage Drawings
Exhibit L:	Superior ROFOs
Exhibit M:	Janitorial Specifications

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and the year set forth above.

LANDLORD

HUDSON 1099 STEWART STREET, LLC,
a Delaware limited liability company

By: Hudson 1099 Stewart REIT, LLC,
a Delaware limited liability company,
its sole member

By: Hudson 1099 Stewart, L.P.,
a Delaware limited partnership,
its sole member

By: Hudson 1099 GP, LLC,
a Delaware limited liability company,
its general partner

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.
a Maryland corporation,
its general partner

By: /s/ Mark T. Lammas
Name: Mark T. Lammas
Title: Chief Operating Officer, Chief Financial Officer & Treasurer

FEIN: _____

TENANT
REDFIN CORPORATION,
a Delaware corporation

By: /s/ Glenn Kelman
Name: Glenn Kelman
Its: CEO

FEIN: 74-3064240

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On June 28, 2017 before me, Julieta Marrero, Notary Public
(insert name and title of the officer)

personally appeared Mark Lammas,
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity~~(ies)~~, and that by ~~his/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

JULIETA MARRERO
Commission # 2053190
Notary Public - California
Los Angeles County
My Comm. Expires Dec 24, 2017

WITNESS my hand and official seal.

Signature _____ (Seal)

TENANT ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Glenn Kelman signed this instrument, on oath stated that he/she was authorized to execute the instrument as CEO of REDFIN CORPORATION, a Delaware corporation, and acknowledged it on behalf of such corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

DATED: June 28, 2017

/s/ Shawn M. Taylor
NOTARY PUBLIC in and for the State of Washington,
residing at Bothell, WA
My appointment expires 3/20/19
Print Name Shawn M. Taylor

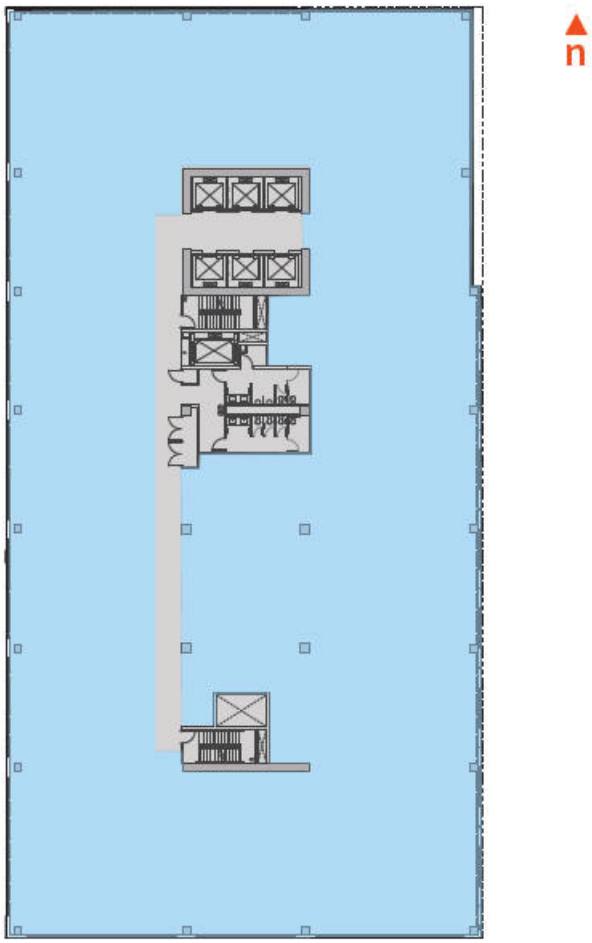
[SEAL]

EXHIBIT A

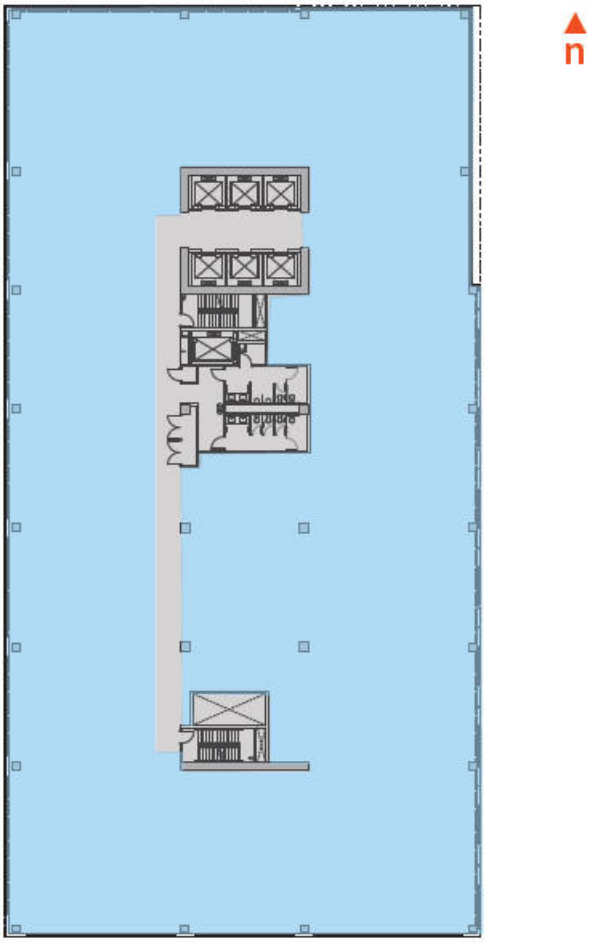
OUTLINE AND LOCATION OF PREMISES

The attached four (4) drawings below depict the Premises generally and any dimensions thereon are estimates only.

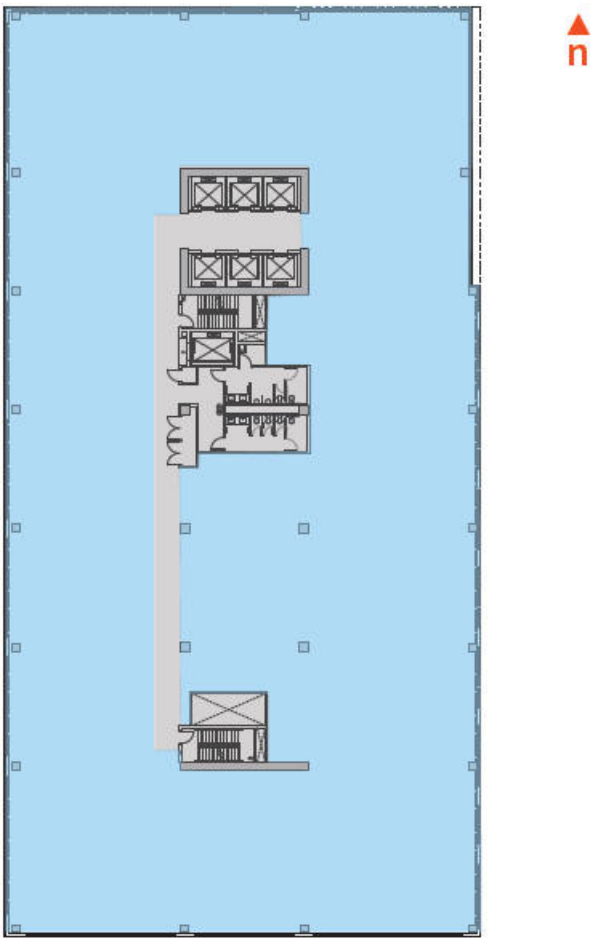
4th Floor
28,287 RSF



5th Floor
28,234 RSF



6th Floor
28,235 RSF



7th Floor
28,234 RSF

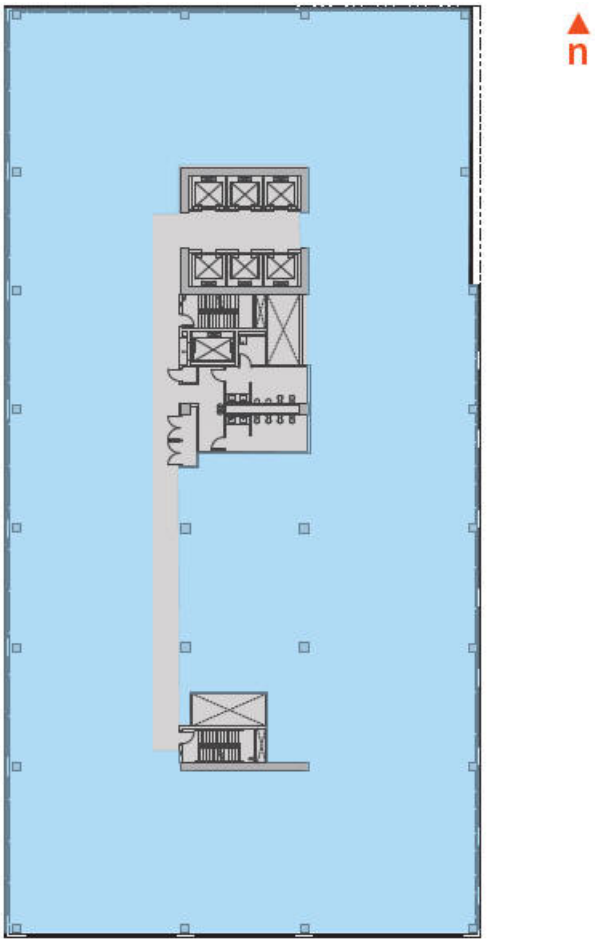


EXHIBIT B

LEGAL DESCRIPTION

THE REAL PROPERTY SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING, DESCRIBED AS FOLLOWS:

OFFICE UNIT, INCLUDING ALL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS ALLOCATED THERETO, OF HILL7, A CONDOMINIUM, ACCORDING TO DECLARATION THERETO RECORDED July 5 UNDER RECORDING NO. 20130705001353, AND AMENDMENT(S) THERETO; SAID UNIT IS LOCATED ON SURVEY MAP AND PLANS FILED IN VOLUME 277 OF CONDOMINIUMS, AT PAGES 078 THROUGH 090 IN KING COUNTY, WASHINGTON.

SUBJECT TO ALL MATTERS NOW OR HEREAFTER OF RECORD.

EXHIBIT C

WORK LETTER

1. Base Building. Prior to the date of the Lease, Landlord completed, at its sole cost and expense, those items described on Exhibit C-1 attached hereto ("**Base Building Specifications**"). Landlord hereby represents and warrants to Tenant that the Base Building Specifications were constructed: (a)(i) in accordance with the permits received from the City of Seattle, subject to such reasonable changes and modifications as Landlord may make from time to time during construction, (ii) in compliance with all applicable Laws, and (iii) in accordance with the Base Building Specifications; and (b) with all water, gas, electricity, telephone, sewer, sprinkler services, and other utilities used on, stubbed to, or delivered to the Premises (collectively, the "**Base Building Work**"). Any work subsequently required if any portion of the Premises is not in the condition described in the preceding sentence on the applicable Delivery Date as to such portion shall be performed at Landlord's sole cost and expense and shall not constitute part of the Tenant Improvements. Upon the mutual execution and delivery of the Lease by Landlord and Tenant, Tenant shall be deemed to have accepted each portion of the Premises in "**TI Ready Shell Condition**". Except as set forth above, Tenant accepts the Premises"as-is", latent defects excepted, and Landlord shall have no obligation to perform any work or improvements thereto in connection with Tenant's initial occupancy or otherwise.

2. Force Majeure and Tenant Delay. Except as expressly set forth in this Lease, Landlord shall have no liability whatsoever to Tenant on account of the inability or delay of Landlord in fulfilling any of Landlord's obligations under this Work Letter by reason of Tenant Delay (defined below), strike, other labor trouble, governmental controls in connection with a national or other public emergency, or shortages of fuel, supplies or labor resulting therefrom or any other cause, whether similar or dissimilar to the above, beyond Landlord's reasonable control. "**Tenant Delay**" shall be defined as any delay associated with: (i) Tenant's failure to approve any critical path item or to perform any other material obligation by the date specified in this Work Letter; (ii) Tenant's request for materials, finishes or methods of construction not readily available; (iii) Tenant's failure to comply with the Union Labor Standards; (iv) Tenant's requests for revisions to Base Building Work (except that any revisions requested as a result of the Premises failing to comply with the Base Building Specifications shall not be deemed a Tenant Delay); or (v) the construction of any additional structural support work that is required as a result of Tenant's Tenant Improvements.

3. Non-Standard Improvements. The plans and specifications for the Tenant Improvements must be consistent with Landlord's standard specifications for initial tenant improvements for the project (the "**Building Standards**"). Landlord will provide a copy of the Building Standards to Tenant upon request. Landlord shall permit Tenant to deviate from the Building Standards for the Tenant Improvements ("**Non-Standard Improvements**"), provided that (a) the Non-Standard Improvements shall not be of a lesser quality than the Building Standards; (b) the total lighting for the Premises shall not exceed the allowance set forth in Section 7.5 of the Lease; (c) the Non-Standard Improvements conform to applicable governmental regulations and necessary governmental permits and approvals have been secured; (d) the Non-Standard Improvements do not require building service beyond the levels normally provided to other tenants in the Project unless otherwise reasonably agreed to by Landlord; and (e) Landlord has determined in its reasonable discretion that the Non-Standard Improvements are of a nature and quality that are consistent with the overall objectives of Landlord for the Project. Tenant agrees that, notwithstanding anything to the contrary contained in the Lease, if Tenant, with Landlord's approval, elects to install package HVAC units and/or lighting not included in the Building Standards, then, except to the extent of Landlord's gross negligence of willful misconduct, Tenant will be solely responsible throughout the Term to maintain and repair and if necessary to replace such items at its sole cost.

4. Tenant Improvement Plans. Any work proposed by Tenant (the "**Tenant Improvements**") shall be subject to Landlord's reasonable prior approval and shall be subject to the other terms and conditions of this Exhibit C; provided that it will be reasonable for Landlord to withhold its approval or consent (as and when applicable under this Exhibit C) if Landlord's Mortgagee has not consented to the matter that is the subject of such approval or consent. All architectural, engineering and other design fees shall be paid by Tenant. Tenant shall use its architect, engineers and other design professionals, all of whom shall comply with any applicable licensing or governmental requirements of the City of Seattle and the State of Washington; Tenant's architect shall be approved by Landlord ("**Tenant's Architect**"), which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall also be entitled to receive a copy of the agreement between Tenant and Tenant's Architect (the "**Architect Agreement**"). Tenant shall cause Tenant's Architect to prepare a draft space plan (the "**Space Plan**") for the Tenant Improvements and shall submit the proposed Space Plan to Landlord for the latter's approval (not to be unreasonably withheld) in a time period to allow Tenant to timely complete its Tenant Improvements under this Lease. Landlord shall deliver to Tenant any written objections, questions or comments of Landlord with regard to the Space Plan within ten (10) business days of receipt; Landlord's consent thereto shall be deemed given if not denied in writing within said ten (10) business day period. If Landlord denies its approval, it shall specify the reasons for doing so in detail. Tenant shall cause the Space Plan to be revised to address such written comments and shall resubmit said Space Plan to Landlord for approval. Such process shall continue until Landlord has approved the Space Plan. Tenant's Architect shall then prepare working drawings and specifications for the Tenant Improvements, including architectural, structural, plumbing, mechanical, electrical, and fire protection drawings as required, suitable for permit application (the "**Working Drawings**") and shall submit the proposed Working Drawings to Landlord for the latter's approval in a time period to allow Tenant to timely complete its Tenant Improvements under this Lease. The Space Plan and Working Drawings shall be subject to Landlord's approval, which Landlord agrees shall not be unreasonably withheld, conditioned, or delayed. Landlord shall not be deemed to have acted unreasonably if it withholds its approval thereof because, in Landlord's reasonable opinion, the work, as described in any such item: (i) is likely to adversely affect Building Systems, the structure of the Building or the safety of the Building and/or their occupants; (ii) might impair Landlord's ability to furnish services to Tenant or other tenants in the Building; (iii) would materially increase the cost of operating the Building; (iv) would violate any governmental laws, rules or ordinances (or interpretations thereof); (v) contains or uses hazardous or toxic materials or substances; (vi) would negatively affect the appearance of the Building; (vii) is reasonably likely to adversely affect another tenant's premises; or (viii) is prohibited by any ground lease affecting the Building or any mortgage, trust deed or other instrument encumbering the Building. Landlord shall deliver to Tenant any written objections, questions or comments of Landlord with regard to the Working Drawings, within ten (10) business days of Landlord's receipt of the Working Drawings; Landlord's consent thereto shall be deemed given if not denied in writing within said ten (10) business day period. If Landlord denies its approval, it shall specify the reasons for doing so in detail. Tenant shall cause the Working Drawings to be revised to address such written comments and shall resubmit said Working Drawings to Landlord for approval. Landlord may, when approving the Tenant Improvement Plans, elect to require Tenant to remove any Non-Standard Improvements which are made to the Premises. If Landlord so elects, Tenant shall, at its own cost, restore the Premises to the condition designated by Landlord in its election, before the last day of the Term. Such process shall continue until both parties have approved the Working Drawings. Landlord's approval of the Space Plan and/or the Working Drawings shall not be deemed any representation or warranty that the same comply with applicable codes.

5. Tenant's Contractors. All contractors and subcontractors participating in construction of the Tenant Improvements shall be bondable, reputable and shall meet all licensing and insurance requirements of the state in which the Premises are situated, be approved by Landlord, which approvals shall not be unreasonably withheld, conditioned or delayed, and have good labor relations and generally

known in the industry to be capable of working in harmony with Landlord's or other tenant's contractors in the Project, and shall be required to comply with the Union Labor Standards of Exhibit I and Exhibit I-1 to the Lease. During the term of the Existing Mortgage (as defined in Section 23 of the Lease), the Tenant's Contractor shall obtain and provide to Landlord a payment and performance bond for all Tenant Improvements prior to the commencement of construction; provided, however, Landlord shall pay for such bond premium. Notwithstanding the Union Labor Standards requirement, Landlord hereby approves and Tenant shall be permitted to use Gateway Construction Services, Inc., a Washington corporation, or another contractor selected by Tenant (subject to Landlord's reasonable approval) as Tenant's contractor for the initial Tenant Improvements ("**Tenant's Contractor**") , subject to Tenant's Contractor agreeing in writing to use only union labor subcontractors to perform all Tenant Improvement work and not self-performing any scope of work with Tenant's Contractor's own labor. Further, Tenant's Contractor shall ensure that all subcontractors to perform the Tenant Improvement work are in compliance with the Union Labor Standards at the time of bidding of the Tenant Improvement work, as well as when such work is being performed. Tenant's and Tenant's Contractor's choice of subcontractors shall not materially affect any guaranties or warranties relating to the Building or Building Systems. Tenant and Tenant's Contractor shall utilize MEP subcontractors reasonably approved by Landlord or by a reputable contractor reasonably approved by Landlord; the MEP subcontractors shall be those utilized by Landlord for the Base Building Work. Landlord shall have the right to receive a copy of the contract between Tenant and Tenant's Contractor (the "**Contractor Agreement**"). All contracts between Tenant and Tenant's Contractor for the Tenant Improvements shall contain a provision requiring Tenant's Contractor to notify Landlord immediately in writing if Tenant fails to pay such Contractor according to the terms of the contract. From time to time, Tenant shall provide Landlord with:

(a) Proof of compliance with the Union Labor Standards;
(b) Contractor's state contractor registration numbers;
(c) A fully executed copy of the Contractor Agreement;
(d) Fully executed Architect's Agreement;
(e) Subcontracts in excess of $100,000 and in total representing not less than 75% of the aggregate dollar of all subcontracts for the Tenant Improvements;
(f) Construction schedule establishing a timetable for completion of the construction, showing, on a monthly basis, the anticipated progress of the Tenant Improvements;
(g) A schedule of values, including a trade payment breakdown, setting forth a description of all contracts for the design, engineering, construction and equipping of the Tenant Improvements;
(h) Complete list of subcontractors with name, telephone number, address and contact name;
(i) A set of Working Drawings approved by the municipality issuing the Building permit; and
(j) A copy of the Building permit.

During the term of the Existing Mortgage, items (a) and (c) through (i) above shall be subject to prior approval by Landlord's Mortgagee. Further, prior to the commencement of construction, Tenant and Tenant's Contractor shall attend a preconstruction meeting with Landlord's Construction Representative and/or property manager.

6. Work Schedule; Commencement of Construction. Tenant will provide a draft Work Schedule to Landlord at least seven (7) days prior to commencement of construction. The Work Schedule is subject to Landlord's reasonable approval, and shall generally show the following:

(1) Framing and electrical rough-in
(2) Cabinetry installation
(3) Painting

(4)Plumbing
(5)Mechanical
(6)Building Engineer pre-cover inspection
(7)Floor covering
(8)Tenant move-in meeting
(9)HVAC balancing
(10) Municipal Inspections
(11) Building Engineer HVAC start up inspection
(12) Tenant telephone, F.F. & E. and cabling installation
(13) Target Substantial Completion Date
(14) Punch-list completion
(15) Completed job close-out documentation

Tenant may not commence any work until (i) Tenant has received all required building permits and other permits, copies of which have been delivered to Landlord, (ii) all required insurance certificates have been furnished to Landlord, and (iii) Landlord has approved Tenant's contractors to the extent required herein.

7. Permits. Tenant shall cause the approved Working Drawings to be submitted to the appropriate governmental agencies for plan review and building permit. Revisions which may be required by governmental agencies as a result of the plan review process shall be reviewed by Tenant and Landlord and modifications reflecting same shall be mutually agreed upon in a timely manner. Landlord's approval of such revisions shall be deemed given if not denied in writing within ten (10) business days of receipt thereof. Tenant shall diligently pursue issuance of all permits and approvals required for the Tenant Improvements, and shall pay for any changes required to the Working Drawings required by applicable building officials/authorities.

8. Construction of the Tenant Improvements. Tenant shall complete all Tenant Improvements at Tenant's sole cost and expense, including without limitation the costs of changes, code compliance work, and upgrades to the base, shell & core of the Building or to any major Building Systems such as fire, life safety, electrical, mechanical, and structural, as may be required by the Working Drawings or applicable permitting authorities, and whether or not such changes or upgrades are due to the fact that such work is prepared on an unoccupied basis. The construction shall be performed in a good and workmanlike manner and in compliance with the approved Working Drawings and all applicable rules, laws, codes and regulations, including all rules, regulations and safety procedures established by Landlord. Once commenced, Tenant shall diligently pursue construction of the Work to completion. All construction of the Tenant Improvements shall be coordinated through Landlord's Construction Representative or Property Manager. Tenant shall obtain Landlord's written approval prior to the performance of any additional Tenant Improvement work, such approval not to be unreasonably withheld, delayed, or conditioned. During construction of the Tenant Improvements, the Premises shall be open during working hours for inspection by the Landlord's Construction Representative and/or Property Manager. Upon completion of the Tenant Improvements, the Landlord's Construction Representative and Property Manager shall perform a final inspection for conformance of the Tenant Improvements to the Building Standards. Any and all work performed by Tenant's Contractor shall be performed in a manner to reasonably avoid any labor dispute which results in a stoppage or impairment of work, deliveries or any other service in the building. If there shall be any such stoppage or impairment as the result of any such labor dispute, Tenant shall immediately undertake such prudent, lawful action as may be necessary to eliminate such dispute or potential dispute, including, without limitation, as reasonably necessary under the circumstances (a) removing all disputants from the job site until such time as the labor dispute no longer exists, (b) seeking a temporary restraining order and other injunctive relief with regard to illegal union activities or a breach of contract between Tenant and Tenant's Contractor, and (c) filing appropriate unfair labor practice charges.

9. Liens. Tenant shall keep the Premises and the Building free and clear of liens of any kind in accordance with the provisions of Section 21 of the Lease.

10. Construction Insurance. During construction, Tenant or its Contractor shall procure and maintain in effect insurance coverages as provided inExhibit C-2. Landlord, its property manager, and such other parties as reasonably designated by Landlord, shall be named as additional insureds on a primary and noncontributory basis under the commercial general liability policies and shall provide that such coverage shall be primary and non-contributing with any insurance maintained by Landlord. Tenant shall provide, or cause its contractors to provide, certificates evidencing such insurance prior to any Tenant's FF&E being installed at the Premises.

11. Construction Representatives. Tenant hereby appoints Eric Hollenbeck to act on its behalf and represent its interests with respect to all matters requiring Tenant action in this Exhibit. All matters requiring the consent, authorization or other actions by Tenant with respect to matters set forth in this Exhibit shall be in writing and signed by the aforementioned person. No consent, authorization, or other action by Tenant with respect to the matters set forth in this Exhibit shall bind Tenant unless in writing and signed by the aforementioned person. Landlord hereby appoints Kristin Jensen to act on its behalf and represent its interests with respect to all matters requiring Landlord action in this Exhibit. All matters requiring the consent, authorization or other actions by Landlord with respect to matters set forth in this Exhibit shall be in writing and signed by the aforementioned person. No consent, authorization, or other action by Landlord with respect to the matters set forth in this Exhibit shall bind Landlord unless in writing and signed by the aforementioned person.

12. Telecom Requirements. Unless otherwise agreed by the parties in the final mutually approved Working Drawings, Tenant is responsible for Tenant's telecom services, which services shall include data and broadcasting equipment. Tenant shall select Tenant's telephone and telecom systems. Information concerning telephone and telecom equipment size, manufacturer, technical specifications, special requirements and other information reasonably requested by Landlord shall be provided by Tenant to Landlord on-site representative. Tenant shall coordinate installation of the telephone and telecom system with Landlord during construction of the Tenant Improvements. Notwithstanding anything to the contrary contained herein, Tenant shall be totally responsible for the installation of its telephone and telecom wiring and equipment, all subject to Landlord's approval, which shall not be unreasonably withheld.

13. Substantial Completion; Punch-List. Upon Substantial Completion of the Tenant Improvements, Tenant shall notify the Landlord. Upon said notification, Landlord's designated representative shall inspect the Premises with Tenant's designated representative and its Contractor. If Landlord reasonably believes the Premises have not been constructed in accordance therewith, Landlord shall so notify Tenant in writing, setting forth in detail the reasons therefore, and the parties shall cooperate in good faith to resolve any disagreements relating thereto.

14. Tenant's Restoration Obligations. Landlord may elect to require Tenant, at Tenant's sole cost, to remove all or selected portions of the Tenant Improvements and to restore the affected portions and areas of the Premises to their condition existing as of the date hereof, such removal and restoration work to be completed prior to the expiration or earlier termination of the Lease Term, by notice given to Tenant at the time that Landlord approves Tenant's Working Drawings, but in no event shall Tenant be required to remove any customary office improvements or any internal stairs in the Premises so long as such stairs are installed in the landlord designated future staircase slab "knock-out" existing in the Premises on the date that Landlord delivered the Premises to Tenant.

15. As-Builts. Upon final completion of the Tenant Improvements (including all punch-list items), Tenant's Contractor shall submit to Landlord's Construction Representative: (i) copies of all as-built construction documents and specifications (ormarked-up construction drawings) indicating reconfiguration of the Premises, including changes to the mechanical, electrical, architectural, plumbing, cabling, sprinkler and fire alarm, as applicable; and (ii) original permit with inspector(s) final acceptance. Balance logs, operation and maintenance manuals shall be provided to Landlord prior to Tenant occupancy along with mechanical updated field drawings. Any mechanical equipment installed, removed, retired or replaced as part of the Tenant Improvements must be documented with operation and maintenance manuals; installation manuals; parts lists/price list; wiring diagrams; troubleshooting guides; and equipment abstracts (new, reassigned, or retired).

16. Legal Title. Legal title to all Tenant Improvements which are permanently affixed in the Premises shall immediately vest in Tenant upon substantial completion thereof and title thereto shall pass to Landlord upon expiration or termination of this Lease.

17. No Landlord Liability. The Landlord shall not be liable for any injury, loss or damage to any person (including death) or property on or about the Building or Premises during the performance of the work, unless caused by the Landlord, its employees or agents, and Tenant shall indemnify and hold the Landlord harmless against and from any such liability, and any costs or charges (including, without limitation, reasonable attorney's fees and court costs) which the Landlord may incur on account of any such injury, loss or damage. Tenant's Contractor shall carry commercial general liability insurance which shall include coverage of the foregoing contractual liability. Landlord's collection rights to any amounts due shall be deemed the same as for additional rent under the Lease.

18. Payment of Costs. Tenant shall pay all costs for the Tenant Improvements except as otherwise expressly set forth herein or elsewhere in the Lease. Tenant shall have the right to use the Allowance for any hard and soft costs associated with the Tenant Improvements, including, without limitation, for space planning and construction documents, architectural, engineering and project management fees, consultant fees, purchase and installation of Tenant's signage, telephone and data cabling and equipment, secondary HVAC equipment, signage, and construction costs, up to a maximum total of the Allowance, under the conditions set forth below, but payment or nonpayment thereof shall not relieve Tenant of its responsibility and pay for all costs thereof. The Allowance shall be apportioned seventy five percent (75%) to the Initial Premises and twenty five percent (25%) to the Expansion Premises. Further, up to ten percent (10%) of the portion of the Allowance for the Initial Premises can be applied by Tenant towards moving costs, furniture for the Initial Premises, and Rent abatement related to the Initial Premises, and up to ten percent (10%) of the portion of the Allowance for the Expansion Premises can be applied by Tenant towards moving costs, furniture for the Expansion Premises, and Rent abatement related to the Expansion Premises; provided, however, that Tenant shall not be permitted to use any portion of the Allowance for Rent abatement until the Tenant Improvements for the Initial Premises and Expansion Premises, as applicable, have been completed. Landlord may charge the costs of Landlord's reasonable review and oversight up to a total of Thirty Three Thousand Three Hundred Thirty Three and No/100s Dollars ($33,333.00) per floor of the Initial Premises and Expansion Premises (the "**Landlord Oversight Fee**"), which Landlord Oversight Fee shall be payable out of the Allowance at the time of the Allowance draw for each respective floor. Furthermore, except as otherwise expressly provided herein and subject to any applicable limits on the application of the Allowance as set forth herein, the Allowance may not be applied to the cost of removable trade fixtures, equipment or furniture, moving costs, acquisition of equipment, or inventory.

a. Reimbursement of Allowance. Tenant and Landlord acknowledge that the cost of the Tenant Improvements may exceed the Allowance. Tenant may draw on the Allowance on a floor by floor basis, that is, Tenant may complete the below for one or more full floors of the Premises and shall be entitled to proportionate reimbursement of the Allowance based on the ratio the rentable square feet on the applicable floor for which reimbursement is sought bears to the rentable square footage of the total Premises. Within thirty (30) days after receipt from Tenant of a request for reimbursement and satisfaction of the following conditions, Landlord shall fund the requested portion of the Allowance:

(i) Tenant has delivered a Certificate of Occupancy (or equivalent, such as final permit signoff) for the applicable portion of the Premises to Landlord.

(ii) Tenant has performed the Tenant Improvements in accordance with the final Working Drawings, all applicable laws, codes and ordinances, and in accordance with all other applicable provisions of this Lease and this Exhibit.

(iii) Tenant has furnished Landlord (i) an affidavit from Tenant listing Tenant's Contractor and all subcontractors and suppliers with whom Tenant has contracted in connection with the Tenant Improvements, together with the cost of each contract, and (ii) an affidavit from Tenant's Contractor listing all subcontractors and suppliers whom the general contractor has contracted with in connection with the Tenant's Work, together with the cost of each contract.

(iv) Tenant has furnished Landlord original, valid, unconditional mechanic's lien releases from Tenant's Contractor and all other subcontractors and suppliers who performed the Tenant Improvements or furnished supplies for or in connection therewith (including all parties listed in the affidavits referenced above) covering all of the Tenant Improvements, and such other evidence as Landlord may reasonably request to evidence that no liens can arise from such work or materials.

(v) Tenant has provided an Air Test and Balance Report if required by Landlord (e.g., NEBB or industry standard).

(vi) Tenant has provided to Landlord updated hardcopyas-built drawings of the Tenant Improvements as well as an updated diskette in CAD format thereof.

If Landlord does not reimburse Tenant as and when set forth hereinabove, Tenant may abate Rent due under the Lease until the Allowance, together with interest on the declining amount at the Default Rate, has been fully reimbursed to Tenant notwithstanding anything to the contrary in the Lease. Tenant shall be obligated to complete construction of the Tenant Improvements for the Initial Premises on or before October 1, 2017, and Tenant shall be obligated to complete construction of the Tenant Improvements for the Expansion Premises on or before the date that is fifteen (15) months after the Expansion Premises Delivery Date. If Tenant fails to request the portion of the Allowance allocated to the Initial Premises after satisfaction of the preconditions set forth above by November 1, 2017, Tenant shall be conclusively deemed to have waived any right to receive such portion of the Allowance. Further, if Tenant fails to request the portion of the Allowance allocated to the Expansion Premises after satisfaction of the preconditions set forth above by the date that is sixteen (16) months after the Expansion Premises Delivery Date, Tenant shall be conclusively deemed to have waived any right to receive such portion of the Allowance. Unused portions of the Allowance shall be retained by Landlord.

19. Commencement Date. Tenant acknowledges that the Commencement Date and Tenant's obligation to pay Rent as required under the Lease shall commence on the date(s) set forth therein, whether or not Tenant has completed all or any portions of the Tenant Improvements, and whether or not Tenant has obtained a certificate of occupancy therefor or has commenced business operations therefrom.

EXHIBIT C-1

BASE BUILDING

A. BASIC BUILDING:

1. **Access**: The main pedestrian access for Hill7 is located at the corner of Stewart St and Boren Ave. The underground parking garage entrance and exit is through the alley from either Howell St or Stewart St.

2. **Structure**: The structure is designed as post-tensioned concrete slabs with concrete columns and shear walls on concrete spread footings. The minimum interior column spacing is 30' x30' and approximately 40' x 40' at corners. The structural design is in compliance with the 2009 International Building Code including the City of Seattle building code amendments.

3. **Exterior**: The building design showcases a curtain wall and metal panel exterior with operable windows.

4. **Parking:** The three underground parking levels provide approximately 350 stalls. Seven electric vehicle charging stations and additional preferential parking spots are located on parking level P1. The parking garage lighting is provided by LED fixtures with built-in occupancy sensor.

B. SERVICE CORE

1. **Lobby:** The main lobby on the ground floor of the building is designed and finished consistent with a Class A office building. High level finishes include mirrored finish metal panel ceiling, polished concrete floors and a concrete niche feature wall with accent lighting (other walls to be painted GWB). The lobby is furnished with multiple seating areas. Lighting includes recessed directional LED downlights in the mirrored metal panel ceiling with custom pendants located over seating areas.

2. **Parking lobbies:** The lobbies at each parking level are complete and finished with concrete floors, CMU walls and plaster skim coated concrete ceilings.

3. **Elevators:** The project includes six high-rise passenger elevators and two passenger garage elevators of3,500-pound capacity each designed to minimize tenant-waiting time. High-rise elevators serve Levels 1 to 11; whereas the two garage elevators serve the parking levels and the main lobby. High-rise elevators include finished ceiling heights of 9 feet, stainless steel elevator doors and upgraded finishes consistent in quality to the main lobby. A state of the art destination dispatch improves efficiencies reducing passenger travel time. In addition, one dedicated freight elevator of 5,000-pound capacity and a ceiling height of 10 feet provides loading dock access to all levels.

4. **Loading dock:** The building includes an enclosed service loading dock with three truck bays which is accessed through the alley on the southwest face of the structure. The loading dock leads to a receiving area and freight elevator accessible to all floors. One bay includes a 5000-pound capacity scissor lift.

5. **Restrooms:** Men's and women's restrooms on all levels are finished with porcelain tile on floors and wet walls; GWB with appropriate grade painted finish on remaining walls and ceilings. Restroom finishes include Ceasarstone vanities with under mount sinks, sensor controlled lavatory faucets, ceiling-hung toilet partitions, wall hung white vitreous china water closets and urinals, accessories and lighting. Floor drains are provided in all public restrooms. General restroom lighting consists of recessed fluorescent downlighting.

6. **Janitor's Closet:** Janitor's closets with a mop sink each are provided on each floor on levels 1 through 11.

7. **Doors:** All doors for stairwells, electrical, mechanical, janitor, telephone, toilet room, and other common areas are installed per applicable codes. Stairwell doors include rough in conduit for future tenant card access system to be installed by Tenant if so desired.

8. **Exit Stairways:** Stairways are concrete filled metal pan stairs, painted; as required by code. Lighting within the stairways is provided withbuilt-in occupancy sensor.

9. **Recycling and Trash:** Services for recycling and trash collection can be found at the loading dock.

C. TENANT AREAS

1. **Exterior Walls:** Perimeter walls in all tenant spaces are ready for tenant GWB and finishes with exposed metal studs, vapor barrier insulation, fire-safing and weather seal in compliance with 2009 Seattle Energy Code. Tenant to provide GWB at perimeter walls and ceiling as necessary. Sill extensions are provided by Landlord and installed by Tenant.

2. **Core walls and Columns:** The faces of shear walls and columns are unfinished formed concrete. All GWB core walls facing future tenant space are fire taped only, in order to allow tenant flexibility during build-out.

3. **Floors:** Cured concrete floors are level to within industry standards (leveled to tolerance of one half (1/2) inch in a 10 foot radius (non cumulative); the maximum deviation is not to exceed two and one half (2.5) inches between any two points on the floor); ready for tenant flooring finishes. Landlord is responsible for any corrective measures to level floor to meet the foregoing standards. Underlayment for tenant flooring and crack suppression to be installed by Tenant. The floor slabs are designed for a structural load of 50 pounds "live load" per square foot plus 15 pounds per square foot partition load. Enhanced loading capacity of 80 pounds per square foot (total live load including partitions) is provided for bays between grids 4 to 7, B to C. At corridors and exit pathways the load capacity is 100psf live load as required by code. Slab core drilling is not permitted, unless approved by the structural engineer of record. Core drilling of any other components of the primary structure, including beams, is not permitted.

4. **Ceiling:** The exposed structural slab is left as cast concrete with no architectural finish. Ceiling grid and tile are not included in the Shell and Core to allow Tenant to be creative with the space design. The typical ceiling height from the top of the floor slab to the underside of the above structural slab and beams are approximately 12'-4 ½" and 11'-6" respectively. An acoustical ceiling grid can be installed 9' above the concrete floor at a minimum.

5. **Office floor lobbies:** Elevator lobbies on floors 3 through 11 are unfinished. Full floor tenants are responsible for the design and finishes in these lobbies to be paid for out of the tenant improvement allowance. Slabs at elevator lobbies are 1 ½ inches lower in elevation to provide Tenant with flexibility in flooring options. Multi-tenant floor lobbies are finished by Landlord with carpet.

6. **Internal stairways:** Multi-floor tenants shall be permitted to upgrade exit stairways if Tenant elects to use the stairways for internal access between floors, including Tenant installed security access. Knockout slab sections of 18' by 10' between gridlines 2-3 and A-B on levels 3-11 are also available for multi-floor tenants to add internal access between floors. Tenant is responsible for the removal of the knockout slab plus design and installation of stairs, handrails and any code and life safety protection required in and around the internal stair. At expiration or early termination of the lease, Tenant is responsible to remove the stair system and re-install the knockout slab, unless otherwise notified by the Landlord.

7. **Blinds:** Blinds are provided by Landlord and installed by Tenant.

8. **Signage:** Lobby directory signage and floor directories on multi-tenant floors are provided by Landlord.

9. **Domestic Water, Vent and Waste Stubs for Tenant:** Each office floor includes the following plumbing provisions: 1-1/2" cold water, 3" vent and 4" waste stub-outs. Tenant stub-outs are located at 3 locations on each floor at the following gridlines: 2/C, 4/B, and 7/B.

10. **Electrical Capacity for Tenant:** Total designed electrical capacity at tenant floors is 17 watts per square foot of occupied space: 6-8 watts per square foot for HVAC service, 0.92 watts per square foot for lighting and 5 watts per square foot for tenants' equipment and convenience demand. The design cooling capacity of the HVAC system for equipment loads is 2 watts per square foot.

11. **HVAC Tenant:** Supply and return air taps extend 5 feet from the core shaft with associated fire/smoke and volume dampers. Tenant to install the duct runs and the VAV terminals as required for zone control during tenant improvement work. Base system includes a standard DDC control system. Furthermore, the shell and core condenser water system will provide up to five nominal tons of cooling capacity for 24/7 process loads. Tenant to provide water-source heat pumps with 100% airside economizer capabilities. Outside air is provided through outside air intake louver installed on west face of the building between columns 4 and 5 during the shell and core phase. Heat pumps are required to have MERV 13 filtration and efficiencies that exceed code minimums by at least 15%. Heat pump selection based on 85°F EWT / 95° LWT summer conditions and 65°F EWT / 55°LWT winter conditions. Tenant contractor to install 2-way control valve on condenser water return piping from 24/7 heat pump.

D. SECURITY

1. **Card controlled access:** Landlord will provide an electronic access control system with card readers at the main entrance, parking garage entrance/exit, level 1 restrooms, locker rooms, main lobby elevator destination dispatch pedestals, bicycle storage room, and loading dock. Stairwell doors are equipped with locking hardware from the stairwell side and empty conduit for future card key access control. Tenants are responsible for access control card readers for their space at elevator lobbies, stairwell doors, and any other areas if so desired.

E. COMMON AREAS

1. **Exterior terrace:** An exterior amenity terrace at the 2nd floor includes quality landscaping and outdoor furniture and is accessible only to Hill7 tenants.

2. **Shower and locker facilities:** Men's and Women's shower facilities and locker rooms are located on the first floor, connected to the men's and women's restroom and are accessible to Hill7 tenants only. Each includes three enclosed showers, two sinks, vanities, lockers, accessories, fixtures, lighting and all mechanical and plumbing services.

3. **Bike room**: A secure bicycle storage room is provided at the first parking level with bike lockers and bike racks, accessible to Hill7 tenants only.

4. **Conference room:** Two conference rooms separated by an operable partition that enables their integration into a large conference room of approximately 1,100 square feet are available for tenant use. AV equipment enabling media presentations with microphone support and video conferencing is included.

F. MECHANICAL

1. **HVAC:** The office spaces are served by two identical 238 ton custom penthouse rooftop air handlers with direct expansion (DX) cooling and fully modulating 100% economizer function installed during the shell and core phase. Standard temperature primary air is delivered via supply ductwork routed in vertical shafts stubbed out in the ceiling space on each floor. HVAC system and design criteria comply with the Seattle Energy Code, ASHRAE and other pertinent codes. In no event shall compliance with ASHRAE and other codes reduce the HVAC requirements below the following design criteria:

    i) Summer outdoor design conditions: ASHRAE Design Data: 84 degrees F dry bulb, 67 degrees F wet bulb;

    ii) Winter outdoor design conditions: ASHRAE Design Data: 26 degrees F dry bulb

    iii) Summer indoor temperature is 74 degrees F (+-3 degrees);

    iv) Winter indoor temperature is 68 degrees F (+-3 degrees);

2. **Ventilation**: High density occupancy spaces include carbon dioxide concentration sensors. No humidification systems are included. Operable windows are provided on levels 3-11 to enhance occupant comfort. Through exterior sensors, perimeter VAV zone boxes turn off when outside temperature is agreeable for natural ventilation. Tenant shall be responsible to provide interface with DCS system to distribute signal to employees that perimeter VAV boxes have been shut off and suggesting operable window use.

- **Exhaust**: The general exhaust system provides exhaust to the first floor locker rooms, core toilet rooms and janitor closets at each floor, as well as up to 300 cfm of future general exhaust per floor.

G. PLUMBING

1. **Drinking Fountains:** Each floor includes a high/low drinking fountain near the restrooms.

2. **Plumbing Fixtures:** The restroom plumbing fixtures are water conserving type with dual flush valves on the toilets and low flow flush valves for the urinals. The lavatories have sensor faucets for no hands operation.

3. **Domestic Hot and Cold Water Service:** Cold and hot water in copper piping is available at every floor for restroom and janitor's closet use.

H. ELECTRICAL/POWER

1. **Building Service:** The Building power service is at 480V from utility transformers; two 3000 amp service entry switchboards are included.

2. **Distribution:** Electrical service is distributed to electrical rooms on each Building floor through 600amps,480/277-volt, 3 phase, 4 wire distribution panels located at each floor. The system is designed to meet all current applicable codes and standards. Service terminations at individual floor electrical rooms are ready for final distribution within tenant spaces during tenant improvement work with the ability to provide both general and clean (dedicated) power circuits. There is capability for separate metering or monitoring during tenant improvement build-out.

3. **Common areas**: 277/480v and 120/208v power and panel boards for all common area Building loads including shell and core mechanical, plumbing, lighting and life safety systems are included with the intent of providing a complete and functional shell and core system.

I. TELECOMMUNICATIONS

1. **Communication:** Closets are provided on each tenant floor with 4" conduit risers that can accommodate multiple telecommunications providers, telephone and data pathways to each floor and access to main telephone service is included. Conduit or sleeves from the roof to each floor for antenna and data transmission cable to be installed by Tenant, if required. Four 4" conduits from the project base floor demarcation room to telecommunications providers in the street are included. There is no charge to Tenant or its selected provider for telecommunications space in the Building.

J. LIFE SAFETY

1. **Fire Sprinkler System:** Fire sprinkler risers, main loop and primary branch lines are included with sprinkler heads turned up to meet code requirements based on an open floor plan. Tenant is responsible for modifications to the fire sprinkler system to meet code requirements of tenant improvement work. Sprinkler heads in lobby and other finished ceilings to be quick-response concealed type; garage areas are also fully sprinkled.

2. **Fire Alarm System:** A fire command center equipped with a fire alarm system, emergency communications system, generator controls, elevator controls and smoke evacuation control equipment is located on Level 1. Fire alarm devices as required for unfinished open shell layout connected to a main fire alarm system with fire alarm panel and 24 hour monitoring service as required by code are included. Manual fire alarm pull stations, exit lights, and audible fire alarm speakers are provided at the Building stair doors and elevator lobbies as required by code. Fire horns/strobes and exit signs as

required by code. Addressable smoke detectors installed in all common areas and elevator lobbies and in the HVAC ductwork ceilings at minimum density as required by code. Pressurized exit stairways and elevator shafts are included. All life safety systems are connected to emergency generator. Fire hose and extinguisher cabinets with extinguishers and/or hoses are furnished and installed at each stairwell or as required by code.

3. **Emergency Power:** Emergency generators for current life safety needs are located in Level 1.

4. **Emergency Lighting:** Exit signs and emergency lighting illuminated with power are backed up by an emergency source or are self-illuminating, or as required by code.

EXHIBIT C-2

CONTRACTOR INSURANCE REQUIREMENTS

HILL7 GENERAL CONTRACTOR'S INSURANCE REQUIREMENTS

The term "Work shall mean the Tenant Improvements.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

.1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;

.2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;

.3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;

.4 Claims for damages insured by usual personal injury liability coverage;

.5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

.6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;

.7 Claims for bodily injury or property damage arising out of completed operations; and

.8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18, subject to standard policy terms and conditions.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Lease or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment. and, with respect to the Contractor's completed operations coverage., until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract documents. The limits of liability may be provided through a combination of primary and excess liability policies.

§ 11.1.2.1 Prior to the commencement of Work, Contractor shall, at its own expense, procure and maintain in effect at all times during the performance of the Work under the Contract not less than the following coverages and limits of insurance, which shall be maintained under forms of policies and from insurance companies satisfactory to Owner and Landlord's Lender. Such insurance shall be primary and not contributing to any insurance maintained by Owner and Owner's insurance shall be in excess thereto. Contractor shall provide copies of policies when requested by Landlord. Contractor will disclose to Landlord any deductible or self-insured retention that exceeds $25,000 for any of the required coverages.

.1 Workers' compensation and employer's liability insurance:

(1) Workers' compensation in accordance with statutory law.

(a) A waiver of subrogation endorsement is required.

(2) Employers' liability insurance shall be provided in amounts not less than:

(a) $1,000,000 bodily injury for each accident

(b) $1,000,000 policy limit for bodily injury by disease

(c) $1,000,000 each employee for bodily injury by disease

.2 Commercial general liability insurance covering Contractor's operations with limits not less than:

(2) $2,000,000 each occurrence combined single limit for bodily injury and property damage

(3) $2,000,000 for personal injury

(4) $2,000,000 general aggregate per project

(5) $2,000,000 aggregate for products-completed operations

(6) The commercial general liability coverage must include:

(a) An endorsement providing that the general aggregate limit applies separately to this Project.

(b) Contractual liability

(c) Broad form property damage coverage including completed operations.

(d) Products and completed operation must be maintained for three (3) years after final completion with the total limits required herein. If requested by the Owner, the Contractor shall furnish certificates of insurance verifying this coverage for three (3) years after final completion.

(e) The commercial general liability policy must be written on an occurrence form. A "claims made" policy form or a "modified occurrence" form is not acceptable.

(f) Coverage for residential projects if applicable.

.3 Business auto liability insurance insuring bodily injury and property damage with a combined single limit of not less than $1,000,000 each accident for owned, non-owned and hired vehicles.

.4 Commercial umbrella insurance with a limit of not less than $50,000,000 over the primary insurance required by this Contract with a self-insured retention of no more than $10,000.

.5 If Contractor or its Subcontractor are required to perform any design-build work, they must have professional liability insurance with limits of not less than $2,000,000 each claim and not less than $2,000,000 aggregate. If a design-build Subcontractor does not carry the professional liability insurance applicable to Contractor, as set forth herein, Tenant shall inform Landlord, in writing, that the design-build Subcontractor does not carry professional liability insurance and Landlord shall have the right to approve and/or reject the design-build Subcontractor performing Work on this Project. The coverage shall be maintained for three (3) years after final completion, with the total limits required herein.

.6 If Contractor or its Subcontractors are required to perform remedial hazardous material operations they must, in addition to the above requirements, carry a "contractor's pollution liability" policy with limits not less than $2,000,000 each claim and not less than $5,000,000 aggregate for bodily injury and property damage, naming Landlord and Principal Real Estate Investors, LLC as additional insureds. If Contractor or its Subcontractors haul hazardous waste, they must carry automobile liability insurance with $1,000,000 combined single limit each occurrence for bodily injury and property damage applicable to all hazardous waste hauling vehicles accompanied by Motor Carrier Endorsement MCS 90 and Pollution Liability-Broadened Coverage for Covered Autos CA9948 or its equivalent.

§ 11.1.3 Certificates of insurance acceptable to the Landlord shall be filed with the Landlord prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Landlord. Insurers shall be licensed to do business in the state in which the Project is located. Insurers shall have a current A.M. Best rating of A or better with a financial size of X or better unless otherwise specifically agreed in writing by Owner. Certificates of insurance shall be furnished to Landlord with a waiver of subrogation endorsement for workers' compensation. A per project aggregate limit endorsement and additional insured endorsements shall be provided for the commercial general liability coverage. The additional insured endorsements shall be provided with the certificate of insurance naming Landlord and Principal Real Estate Investors, LLC as additional insureds for both ongoing operations and completed operations using ISO Form CG20 J0 or its equivalent with respect to any liability arising out of Contractor's performance of the Work and ISO Form CG2037 or its equivalent with respect to completed operations. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final application for payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Lease to include (1) the Landlord and Principal Real Estate Investors, LLC, as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Landlord and Principal Real Estate Investors, LLC as additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.1.5 The Contractor shall use its best efforts to cause all of its Subcontractors to procure and maintain insurance including, without limitation, the additional insured requirements naming Landlord as set forth above. The limits of liability on Subcontractor's general liability insurance policies shall be not less than $2,000,000 each occurrence combined single limit for bodily injury and property damage; $2,000,000 for personal injury; $2,000,000 general aggregate per project; and $2,000,000 aggregate for products-completed operations. Subcontractors shall have not less than $2,000,000 in umbrella liability coverage. Certificates and additional insured endorsements from subcontractors must be provided prior to the Contractor and its subcontractors entering the Project. If any Subcontractor cannot maintain insurance in like forms and amounts, then Contractor shall notify Landlord in writing of the same, and advise Landlord of the form and amount of insurance maintained by Subcontractor. Contractor must obtain Landlord's written approval of any Subcontractor who cannot comply with the insurance requirements set forth herein.

§ 11.1.6 The Contractor's required insurance shall be subject to the approval of Landlord, but any acceptance of insurance certificates by Landlord shall in no way limit or relieve Tenant of the duties and liabilities under the Lease.

EXHIBIT D

COMMENCEMENT DATE CERTIFICATE

Landlord: _____

Tenant: _____

Lease Date: , 20

Premises: _____

_____

1. Tenant has unconditionally accepted the Premises and acknowledges that the Premises and the Project are in the condition required under the Lease, subject to latent defects and Landlord's representations and warranties that are expressly set forth in the Lease.

2. The Commencement Date of the Lease is , 20___.

3. The Expiration Date of the Lease is , .

4. The Rentable Area of the Premises is .

5. Tenant acknowledges that it has received the full amount of the Allowance except for the sum of $_____.

6. Attached hereto is Tenant's certificate of insurance.

Landlord

_____ ,
a _____

By: _____
Name:
Its

Tenant

_____ ,
a _____

By: _____
Name:
Its:

FEIN: _____

EXHIBIT E

ADDITIONAL PROVISIONS

38. Extension.

38.1 Right to Extend. Tenant shall have two (2) options to extend the Term (the "**Options**") for a period of seven (7) years each (the "**Extension Terms**"). During the Extension Terms, all of the terms, covenants and conditions of the Lease shall also apply, except that the Option thus exercised shall be void and may not be exercised again and Base Rent shall be determined as set forth below.

38.2 Exercise of Options. Each Option may be exercised by Tenant only in accordance with the following procedure. Tenant must deliver written notice (**Interest Notice**") to Landlord not more than fifteen (15) months or less than twelve (12) months prior to the then-scheduled expiration of the Term, stating that Tenant is interested in exercising the applicable Option, and specifying in the Interest Notice as to what portion of the Premises Tenant is exercising its Option with respect to (provided that in no event may Tenant extend as to less than the Initial Premises); Tenant's failure to specify what portion of the Premises for which the Term is being extended shall be deemed an election by Tenant to exercise the Option as to the entire Premises. Tenant shall duly vacate all portions of the Premises for which Tenant is not exercising the Option in accordance with the terms and conditions of the Lease on the last day of the then-effective Term therefor. For purposes of clarity, if Tenant exercises its first Option with respect to less than the entire Premises, Tenant shall not have the right to exercise its second Option with respect to the portion of the Premises so surrendered. Within sixty (60) days after Landlord's receipt of Tenant's Interest Notice, Landlord shall deliver notice ("**Option Rent Notice**") to Tenant setting forth the Landlord's determination of the Base Rent for the applicable Extension Term. Within ten (10) business days after receipt of the Option Rent Notice, Tenant shall provide Landlord with irrevocable written notice ("**Tenant's Acceptance**") exercising the Option and stating either (a) that Tenant accepts Landlord's determination of Base Rent in the Option Rent Notice, or (b) that Tenant objects to Landlord's determination of Base Rent and elects to determine Market Rent in accordance with Section 38.4. Time is of the essence hereof and late delivery of the Interest Notice shall not be effective. Failure of Tenant to provide Tenant's Acceptance shall be deemed Tenant's election of option (b) above. If Tenant does not give an Interest Notice on or before the date specified above, Tenant shall be deemed to have irrevocably waived the right to exercise the Option. Landlord shall not be required to give effect to the Option if an Event of Default is outstanding beyond applicable notice and cure periods as the date of the Interest Notice. The rights contained in this Section shall be personal to the original Tenant (and any Permitted Transferee which is an assignee of Tenant's then-remaining entire interest in this Lease) and may only be exercised by the original Tenant (and any Permitted Transferee which is an assignee of Tenant's then-remaining entire interest in this Lease) (and not any other assignee, sublessee or other transferee of the original Tenant's interest in this Lease).

38.3 Rent During Extension Term. The Base Rent payable by Tenant during each Extension Term shall be equal to ninety -five percent (95%) of the Market Rent, and shall have no floor. "**Market Rent**" shall mean the applicable base rent (taking into account all escalations, additional rent and other charges) that tenants, as of the commencement of the Extension Term, are paying for new, direct leases in an arm's-length transaction with a seven year term for non-renewal, non-expansion, non-sublease, non-equity space that is comparable in size, location and quality to the Premises, and located in buildings or projects comparable to the Project in the North Downtown Seattle, Denny Triangle and South Lake Union submarkets of Seattle. The determination of Market Rent shall take into consideration the value of the existing improvements in the Premises not paid for by Tenant, as compared to the value of the existing improvements in such comparable space, with such value to be based upon the age, quality and layout of the improvements (without taking into account non-standard, specialty improvements made by Tenant). Brokerage commissions shall not be considered in establishing Market Rent. The credit of Tenant (and

guarantors, if any) shall be taken into account. Sublease and expansion transactions shall not be considered in establishing Market Rent. Landlord cannot be compelled to pay any concessions or allowances to Tenant during the Extension Term. Market Rent shall include periodic or annual increases if such increases are consistent with then-existing market conditions.

38.4 Determination of Market Rent. If Tenant has elected or has deemed to have elected to determine Market Rent under this provision, Landlord and Tenant shall negotiate in good faith to attempt to agree upon the Market Rent. If Landlord and Tenant do not reach agreement within thirty (30) days after delivery of Tenant's Acceptance to Landlord (or, if Tenant fails to deliver Tenant's Acceptance, thirty (30) days after expiration of the deadline by which Tenant was to have provided Tenant's Acceptance) (the "**Outside Agreement Date**"), then each party shall make a separate determination of the Market Rent (which determination may include periodic adjustments) which shall be submitted to each other. If the Market Rent determined by Landlord and the Market Rent determined by Tenant differ by $50,000 per annum or less, then the Market Rent shall be the average of the Market Rent submitted by each party. If the Market Rent determined by Landlord and the Market Rent determined by Tenant differ by more than $50,000 per annum, then the matter will be submitted to arbitration in accordance with the following terms. The determination of the arbitrators shall be limited solely to deciding whether Landlord's or Tenant's submitted Market Rent schedule is the closest to the actual Market Rent as determined by the arbitrators and the arbitrators shall have no ability to amend this Lease, modify the definition of Market Rent or to propose a middle ground.

(a) Within ten (10) days of the Outside Agreement Date Landlord and Tenant shall each appoint one arbitrator and shall notify the other party in writing of such selection. Each arbitrator shall by profession be a current real estate broker or appraiser of office space in the immediate vicinity of the Project, and who has been active in the downtown Seattle and South Lake Union submarkets of Seattle over the last five (5) years.

(b) The two (2) arbitrators so appointed shall, within five (5) business days of the date of the appointment of the last appointed arbitrator, agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth above and, in addition, shall not have acted on behalf of either party, except as a neutral arbitrator, in the prior three (3) years. If the two arbitrators fail to agree upon and appoint a third arbitrator, then either party can petition a court to appoint the third arbitrator meeting the qualifications set forth herein.

(c) The three (3) arbitrators shall within fifteen (15) days of the appointment of the third arbitrator to determine which party's submitted Market Rent schedule is the closest to the actual Market Rent as determined by the arbitrators. The arbitrators shall consider all written materials submitted and, upon notice to both parties, may request additional information be submitted in writing but shall not hold a hearing or take oral testimony. The arbitrators shall notify Landlord and Tenant of their decision in writing. The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant. The arbitrators shall have no power to modify the provisions of this Lease.

(d) If either Landlord or Tenant fails to appoint an arbitrator within ten (10) days after the applicable Outside Agreement Date, the single arbitrator appointed shall determine the Market Rent and shall notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

(e) Each party shall pay the fees and expenses of the arbitrator appointed by it and shall share equally the fees and expenses of the third arbitrator.

(f) If Base Rent has not been finalized prior to the first day of the applicable Extension Term, Tenant will pay Base Rent in effect immediately prior to the Extension Term until Base Rent is determined. Once finalized, the amount of the new Base Rent will be applied retroactively to the beginning of the Extension Term, and any adjustment will be made with the next installment of Base Rent due, after Base Rent is determined. Landlord and Tenant shall within thirty (30) days after the determination of the Base Rent, execute an amendment to this Lease, documenting the new termination date and the Base Rent for the Extension Term.

39. Right of First Offer.

39.1 ROFO Provisions Applicable to Any Space in the Building Provided that Tenant is not in material default beyond applicable notice and cure periods under the terms and conditions of this Lease, then Tenant shall have an ongoing right of first offer (the "**ROFO**") to lease all or a portion of any other space in the Building; provided, however, the ROFO shall be subject and subordinate to all leases, options and rights of other third parties in existence as of the date of mutual execution of this Lease, which Landlord represents and warrants are set forth on Exhibit L attached to this Lease (the "**Superior ROFOs**"). If, at any time during the Term, Landlord shall receive an offer from any third party to lease all or any part of the Building (and, if such third party offer includes space on other floors, Landlord shall include the other floor space in its offer to Tenant), which offer Landlord intends to further negotiate, then, prior to commencing any negotiations with such third party, Landlord shall deliver to Tenant an offer to lease such space (the "**ROFO Space**") to Tenant on the same terms as the Premises under this Lease (the "**Offer**"), and Tenant may, within ten (10) business days thereafter, elect by written notice to Landlord to lease the entire space described in the Offer, provided that:

(i) if Tenant accepts an Offer before the third (3rd) anniversary of the Commencement Date of this Lease, then the applicable ROFO Space shall be added to the Premises on the same terms and conditions as those set forth in this Lease as to the Initial Premises, including as to the Base Rent rate, provided, however, that the Base Rent shall be at Market Rate and the term applicable to such ROFO Space shall be co-terminus with the Term for the Initial Premises, provided, further, that Tenant shall receive proportionate additional parking rights and the per-rentable square foot Allowance with respect to the ROFO Space shall be proportionately reduced on a pro rata basis to reflect the shorter term remaining on the Lease; and

(ii) if Tenant accepts an Offer on or after the third (3rd) anniversary of the Commencement Date of this Lease, then the applicable ROFO Space shall be added to the Premises on the same terms and conditions as those set forth in this Lease as to the Initial Premises, including as to proportionate additional parking rights, except that:

(A) the Base Rent (inclusive of any construction allowance or other concessions) shall be Market Rent; and

(B) the Term of this Lease as to such ROFO Space only shall expire on the later of (x) expiration date of the then-effective Term as to the existing Premises, or (y) the end of the term of the lease as to such ROFO Space as proposed in the Offer.

39.2 ROFO Provisions Applicable to Second Generation Space in the Building Provided that Tenant is not in material default under this Lease, Tenant shall have, during the Term hereof, a continuous right of first offer to lease any space that was previously leased to another tenant in the Building when such space becomes available (the "**Second Generation Space**"); provided, however, Tenant's right of first offer with respect to such Second Generation Space shall be subject and subordinate to all leases, options and rights of other third parties in existence as of the date of mutual execution hereof. If at any time during the Term and any Extension Term any Second Generation Space becomes available for lease, then Landlord shall promptly notify Tenant of the availability of such Second Generation Space, and Tenant may, within ten (10) business days thereafter, elect by written notice to Landlord to negotiate to lease such Second Generation Space on the terms and conditions to be mutually agreeable to Landlord and Tenant. Failure of Tenant to exercise the foregoing right within the prescribed time period above shall constitute a waiver of Tenant's

right as to that offer with respect to the Second Generation Space mentioned in Landlord's notice. In the event Tenant waives (or is deemed to have waived) its right of first offer under this Section 39.2 or if Landlord and Tenant are unable to agree upon mutually acceptable terms for Tenant to lease such Second Generation Space after the parties have in good faith attempted to negotiate such terms for a period of thirty (30) days, then Landlord shall have the right in Landlord's sole discretion to put the Second Generation Space on the market; provided, however, such Second Generation Space shall then be subject to the ROFO under Section 39.1.

39.3 Generally Applicable ROFO Provisions. Except as otherwise provided in the first paragraph of this Section 39, the ROFO Space subject to the Offer (including improvements and personalty, if any) shall be accepted by Tenant in its condition and as-built configuration existing on the earlier of the date Tenant takes possession thereof or as of the date the term for such ROFO Space commences, unless the Offer specifies any work to be performed by Landlord thereto, in which case Landlord shall perform such work prior to delivery. Work to be performed by Landlord and, with respect to any Offer delivered to Tenant after June 30, 2017, any tenant improvement allowance, shall be as specified in the Offer. If Landlord is delayed in delivering possession of any ROFO Space due to the holdover or unlawful possession of any portion of such space by any party, Landlord shall use commercially reasonable efforts to obtain possession of such space, and the commencement of the term for the ROFO Space shall be postponed until the date Landlord delivers possession thereof to Tenant, free from occupancy by any party.

Failure of Tenant to exercise the foregoing ROFO within the prescribed time period above shall constitute a waiver of Tenant's right as to that Offer and Landlord shall have the right to lease such space to the third party making that offer or any future third party making an offer; thus, if Tenant does not exercise the ROFO after receiving an Offer prior to June 30, 2017, and Landlord subsequently enters into a lease for the ROFO Space subject to the Offer, Tenant shall have no further ROFO with respect to such ROFO Space until such third party's lease or occupancy of such ROFO Space terminates and Landlord receives an offer from a new third party to lease such ROFO Space. If Tenant does not exercise the ROFO after receiving an Offer after June 30, 2017, and Landlord subsequently enters into a lease (without material modification) for the ROFO Space subject to the Offer, Tenant shall have no ROFO with respect to such space until such third party's lease or occupancy of such ROFO Space terminates and Landlord receives an offer from a new third party to lease such ROFO Space. With respect to any Offer made after June 30, 2017, Tenant's ROFO shall continue and the procedure described in the first paragraph of this Section 39 shall be followed if Landlord desires to enter into a lease where there is a material modification in the terms of the Offer. As used herein, a "**material modification**" shall mean that effective rental rate for the ROFO Space being leased to a third-party, taking into account free rent periods, tenant construction allowances, and similar monetary concessions, is less than ninety five percent (95%) of the effective rent reflected in the original Offer. With respect to any Offer made after June 30, 2017, if Landlord intends to enter into a Lease for the ROFO Space subject to an Offer with a material modification from the original Offer, Landlord shall re-offer the space to Tenant under the materially modified terms in accordance with this Section 39; provided that Tenant's ROFO rights shall again arise (i) if the applicable ROFO Space is not leased to any other party within one hundred eighty (180) days after the date of the applicable Offer, and (ii) if the applicable ROFO Space is leased to a third party, then thereafter if Landlord shall receive an offer from a new third party to lease such ROFO Space

If Tenant duly elects to exercise its ROFO in response to an Offer, Landlord shall prepare, and Tenant shall promptly execute, an amendment to the Lease to memorialize such terms and conditions, provided, however, that failure of Tenant to execute such amendment shall not affect the binding nature of Tenant's election to exercise the ROFO. Tenant's ROFOs shall automatically terminate and become null and void upon the earlier to occur of (1) the termination of Tenant's right to possession of the Premises due to any uncured default by Tenant under the Lease, (2) the termination of this Lease, or (3) any unauthorized assignment or transfer, by operation of law or otherwise, of any of Tenant's interest in this Lease.

40. Confidentiality.

Landlord and Tenant agree to keep the terms and conditions of this Lease and any letter of intent confidential, except for submission to each party's employees, parents, affiliates, legal advisors, accountants, lenders, mortgagees, and real estate providers/vendors, all of whom shall agree to keep such terms and conditions confidential, or as otherwise required by law. All information learned by or disclosed to Landlord with respect to Tenant's business or use of the Premises, or information disclosed or discovered during an entry by Landlord into the Premises, shall be kept strictly confidential by Landlord, and Landlord's representatives, successors, assigns, employees, servants and agents (collectively, "**Landlord's Representatives**"), and shall not be used (except for Landlord's confidential internal purposes) or disclosed to others by Landlord or Landlord's Representatives. Neither Landlord nor Landlord's Representatives shall make any public announcement; distribute marketing materials, or issue press release or similar statements regarding the Lease and/or Tenant's tenancy without the prior written permission of Tenant. Landlord and Landlord's Representatives shall not use Tenant's trademark, trade dress, logo or trade name in any public announcement or forum.

41. Rooftop Option.

Tenant shall have the right, subject to Landlord's reasonable approval, and all zoning and applicable building codes, to install satellite dishes, antennas, and related communications equipment and/or supplemental HVAC equipment on the roof in an area designated by Landlord; provided, however, such right to install any rooftop equipment shall be exclusively for purposes of Tenant's own use and business operations and shall not be for the benefit or use of any third party. Installation or operation of any rooftop equipment shall not damage the structural integrity of the Building or transmit vibrations or noise or cause other adverse effects to an extent not customary in first class office buildings, unless Tenant implements such measures that are acceptable to Landlord in its reasonable discretion to avoid such damage or transmission. Tenant shall comply with any roof or roof-related warranties. Tenant shall obtain a letter from Landlord's roofing contractor within thirty (30) days after completion of any Tenant work on the rooftop stating that such work did not affect any such warranties.

Tenant shall have access to the rooftop to service its equipment and to use the space as defined in the Lease. Tenant shall have reasonable discretion during the Term and Option(s) to replace, amend, supplement, service, or repair its satellite dishes, antennas, and related communications equipment and/or supplemental HVAC equipment and to install replacement and/or additional satellite dishes, antennas, and related communications equipment and/or supplemental HVAC equipment, in areas designated by Landlord and subject to compliance with the terms and conditions of its rights to rooftop use and the lease provisions. Tenant's right to install satellite dishes, antennas, and related communications equipment and/or supplemental HVAC equipment shall not preclude the right of other tenants to install rooftop equipment or other rooftop amenities. Tenant shall be responsible for securing any rooftop equipment and to comply with any Landlord requirements reasonably necessary to preserve the security of rooftop equipment belonging to Landlord or other tenants.

42. Letter of Credit.

42.1 From and after the date that Tenant delivers the Letter of Credit to Landlord (as provided for in the Basic Provisions of the Lease), Landlord shall have the right to draw upon the Letter of Credit or any renewal or extension thereof, in whole or in part, upon the occurrence of any one or more of the following events, each of which shall be deemed an Event of Default under this Lease:

(a) The occurrence of any Event of Default under this Lease;

(b) Tenant's failure to deliver to Landlord, no less than 30 days prior to the expiration date of the Letter of Credit or any renewal or extension thereof, a renewal or extension of the Letter of Credit for a term of not less than one year;

(c) Receipt of notice from the Bank that it will not be extending the terms of the Letter of Credit or otherwise intends to terminate the Letter of Credit prior to expiration of the Term of this Lease, unless Tenant provides a substitute Letter of Credit from another financial institution acceptable to Landlord in its sole discretion at least ten (10) business days prior to the termination of the existing Letter of Credit; or

42.2 In addition to the circumstances enumerated in Section 42.1(a)-(c) above, inclusive, if the Bank shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency act, make an assignment for the benefit of its creditors, consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or file a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof (each of the foregoing, a "**Bank Insolvency**"), Landlord shall have the right to draw upon the Letter of Credit, and whether or not Landlord elects to draw thereon, Tenant shall obtain a replacement Letter of Credit within thirty (30) days of such event of Bank Insolvency from another Issuer satisfying the requirements of subsection (a) above.

42.3 Proceeds of any draw upon the Letter of Credit may be applied by Landlord to the payment of accrued and unpaid rent, additional rent, interest, late charges, or any other obligation arising out of Tenant's obligations to Landlord under this Lease, in such manner as Landlord in its sole discretion, deems appropriate; provided, however, that in the event that Landlord draws proceeds on the Letter of Credit in excess of any amounts owed by Tenant to Landlord under this Lease ("**Excess Proceeds**"), then such Excess Proceeds shall be held as a Security Deposit in accordance with Section 5 of the Lease. Provided there is no default or condition which but for the furnishing of notice or the passage of time would constitute an Event of Default under this Lease, Landlord shall release its rights in the Letter of Credit and surrender the Letter of Credit to the Bank upon payment in full of all sums due under this Lease. Landlord shall have sole authority and discretion to draw under the Letter of Credit in accordance with the terms of this Lease and the Letter of Credit. Within thirty (30) days after any such draw, Tenant shall reinstate the amount available under the Letter of Credit to the required amount as provided herein. In the event that Landlord draws on the Letter of Credit in violation of the terms and conditions of this Lease, and if Landlord fails to return such improperly drawn amount to Tenant within thirty (30) days after receipt of written demand from Tenant, then, in addition to all of Tenant's other rights and remedies for such default by Landlord, Tenant may abate Rent otherwise due under the Lease until the amount so improperly drawn has been fully recovered by Tenant.

42.4 So long as there is then no uncured Event of Default by Tenant under the Lease, beginning in the 25th month of the Term of the Lease and annually thereafter, the amount of the Letter of Credit shall be reduced by $500,000 per year provided that Tenant satisfies the following financial performance measurements: (a) Tenant's EBITDA is a minimum of $25,000,000 for the prior calendar year (e.g., assuming the 25th month of the Term begins on January 1, 2019, the calendar year for purposes of the EBITDA financial performance measurement shall be 2018); and (b) Tenant's cash on hand exceeds $60,000,000. In the event that Tenant satisfies the foregoing financial performance measurements for five consecutive years, the Letter of Credit requirement under this Lease shall terminate.

42.5 In the event Tenant does not elect to substitute the Letter of Credit for $5,000,000 of the Security Deposit as provided in the Basic Provisions of the Lease, then so long as there is then no uncured Event of Default by Tenant under the Lease, beginning in the 25th month of the Term of the Lease and annually thereafter, the amount of the Security Deposit shall be reduced by $500,000 per year provided that Tenant satisfies the following financial performance measurements: (a) Tenant's EBITDA is a minimum of $25,000,000 for the prior calendar year (e.g., assuming the 25th month of the Term begins on January 1, 2019, the calendar year for purposes of the EBITDA financial performance measurement shall be 2018); and (b) Tenant's cash on hand exceeds $60,000,000. In the event that Tenant satisfies the foregoing financial performance measurements for five consecutive years, the Security Deposit amount shall be reduced to $423,712.50.

EXHIBIT F

TRANSPORTATION MANAGEMENT PLAN

See following 7 pages

Return Address:
Kristin Jensen
Touchstone Corporation
2025 1st Ave, Suite 1212
Seattle, WA 98121

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document **must** be filled in)

1. Transportation Management Program Acknowledgment Letter for 1821 Boren Avenue N, DPD Project No. 3013130
2. Transportation Management Program (TMP) for 1821 Boren Avenue N, DPD Project No. 3013130

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) (Last name, first name, initials)

1. Seattle Department of Planning and Development
2. Seattle Department of Transportation

Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)

1. Hill7 Developers LLC

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Lots 7 thru 12, inclusive, block 42, 2nd Addition to the town of Seattle, according to the plat recorded in volume 1 of plats page 121, in King County, Washington;

Additional legal is on page *1* of document.

Assessor's Property Tax Parcel/Account Number ☐ Assessor Tax # not yet assigned

0660001615, 0660001620, 0660001635, 0660001640, 0660001645

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Transportation Management Program
Acknowledgement Form

January 24, 2014

Diane Sugimura, Director
Department of Planning & Development
700 Fifth Avenue, Suite 2000
P.O. Box 34019
Seattle, Washington 98104-5070

Re: TMP Acknowledgment Letter for
1821 Boren Avenue N (Master Use Permit No. 3013130)

Transmitted herewith is a fully executed Transportation Management Program (TMP) approved in writing by the Seattle Department of Planning and Development (DPD) and Seattle Department of Transportation (SDOT).

Property owner's contact information:

Hill7 Developers LLC
2025 First Avenue, Suite 1212
Seattle, WA 98121

Applicant or agent's name and contact information:

James D. O'Hanlon
(206) 727-2393

Legal Parcel Information:

LOTS 7 THOUGH 12, INCLUSIVE IN BLOCK 42 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S ADDITION TO THE CITY OF SEATTLE), AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THE NORTHWESTERLY 7 FEET OF LOTS 7 AND 8 THEREOF HERETOFORE CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 58229 FOR WIDENING OF STEWART STREET, AS PROVIDED UNDER ORDINANCE NUMBER 14881 OF THE CITY OF SEATTLE.

Tax Parcel Numbers and addresses:

0660001615 - 1013 Stewart St – lots 7 and 8 (of block 42)
0660001620 - 1821 Boren Ave – lots 7 and 8 (of block 42)
0660001635 - 1815 Boren Ave – lot 9 (block 42)
0660001640 - 1817 Boren Ave – lot 10 (block 42)
0660001645 – 1810 or 1811 or 1812 Boren Ave – lots 11 and 12 (block 42)

Acknowledgement:

I, James O'Hanlon, owner of the property described above, understand that I am required to implement a Transportation Management Program (TMP) imposed on Master Use Permit (MUP) number 3013130.

The attached TMP defines the goal and program elements that will be implemented to achieve the goal. I understand that these condition(s) by which the City has approved the project are effective for the life of the project and apply to me and/or my company, and/or to future property owners.

I further understand that failure to achieve the goal(s) specified in the TMP and/or to comply with the requirements of the TMP shall be a violation of the permit condition(s) and will result in enforcement pursuant to the Seattle Land Use Code (SMC 23.90).

Sincerely,

James O'Hanlon
Hill7 Developers LLC

Attachment: Transportation Management Program

Transportation Management Program (TMP)
for
1821 Boren Avenue N (Master Use Permit No. 3013130)

TMP Goal

Commute trips by employees of office tenants who lease space in the building will achieve a single-occupancy-vehicle (SOV) goal of not more than 41 percent of all commute trips. These will be measured as the percentage of trips that occur between 6:00 A.M. and 9:00 A.M., consistent with the State of Washington's Commute Trip Reduction (CTR) Act.

Program Elements to be implemented to achieve goal

Pursuant to Director's Rule 10-2012 (effective September 28, 2012), a proposed TMP shall include all required program elements listed in Table 2 of the Director's Rule. In addition to the required TMP elements, the proposed TMP for this project will include the elements noted in the table below. Definitions for these elements, unless otherwise detailed by notes, are set forth in the City of Seattle's Director's Rule (DPD) Director's Rule 10-2012.

	TMP Elements	Check all that apply	Notes
Building and Frontage Features (Physical Improvements)			
1	Install commuter information center in appropriate location	√	See detail below
2	Construct infrastructure improvements that are consistent with the City's *Design Guidelines* related to the transit and pedestrian environment.		
3	Provide on-site shower and locker facility	√	
4	Reduce parking supply below market demand rate for the type of land use and location		
5	Install pedestrian wayfinding signs		
6	Provide more bicycle parking than required by code		
7	Provide bicycle storage and amenities that meet City performance standards.	√	See detail below
Management & Promotion			
8	Appoint Building Transportation Coordinator	√	
9	Produce and distribute a commuter information packet	√	
10	Require tenant participation in the TMP	√	
11	Submit regular reports about TMP elements as required by the City	√	
12	Conduct biennial survey of TMP effectiveness	√	
13	Participate in a transportation management association, where available		

	TMP Elements	Check all that apply	Notes
14	Participate in promotional programs	√	
Parking Management			
15	Charge for parking at market rate for the site's vicinity	√	
16	Set parking fee structure so that cost per hour for short-term parking does not exceed cost per hour for long-term parking		
17	Prohibit price reductions for all-day parking (e.g., "Early Bird" specials)		
18	Unbundle parking from building leases	√	
19	Provide designated parking spaces for car share programs		
20	Create flex-use parking passes that provide fewer days of parking than a monthly pass.		
Transit, Carpool & Vanpool Programs			
21	Provide or require tenant to offer transit pass subsidy to employees who work at the site.	√	
22	Provide free parking for vanpools registered with a public agency.	√	See Detail Below
23	Provide information about ride-match opportunities	√	
24	Provide reserved spaces for registered vanpools in convenient area that has adequate clearance and maneuvering space	√	See Detail Below
25	Provide parking discount for carpools		
26	Offer guaranteed ride home program	√	
Bicycle/Walking Programs			
27	Offer incentive for commuters who bicycle or walk to work		
28	Offer programs for bicyclists such as safety training and bicycle maintenance		
Additional Incentives for Owner-Occupied Buildings			
29	Offer telecommuting program for employees (used at least once per week)		
30	Allow flexible working hours		
31	Provide subsidy to residents or employees for car-sharing program		
32	Provide subscription bus service or shuttle to site		

Program Details:

Element 1: Commuter Information Center (CIC)

Commuter information will be provided in the lobby of the building, and will include at a minimum, information about nearby transit routes, stop locations, and schedules; on-site bicycle amenities, and off-site bicycle facilities that connect to the site. The format and mechanism to distribute information will change over time, and could include displays, electronic kiosks, on-site staff, or alternative electronic formats such as intranet and/or smart phones. The information provided should be updated at least twice per year. The CIC shall display the name, telephone number, and office location of the Building Transportation Coordinator (BTC). The mechanism used to distribute commuter information and the information shall be described in the TMP reports to the City.

Element 6 and 7: Bicycle amenities that will be provided:

Showers and lockers located on the first floor of the building. A minimum of 6 showers and 38 lockers will be provided..

Secured bicycle parking will be provided on level P1 of the garage in a combination of corral and bike locker. They are accessed via dedicated bike lane adjacent to the parking garage drive aisle. A minimum of 66 bicycle parking stalls will be provided per the City of Seattle's Land Use Code. In addition a bike rack for two short-term users will be located within the frontage (edge of sidewalk or landscape area) near the office building entrance.

Element 21: Transit subsidy
Office tenants that lease space in the building will be required to offer a transit subsidy equivalent to at least 50% of the cost of a King County Metro regional one-zone monthly pass to all permanent, temporary and contract employees who work a minimum of 20 hours per week at the site, commute at least three times per week during the AM Peak Period, and commute via transit, ferry (walk-on passengers only), and/or vanpools.

Element22 and 24: Vanpool parking:

If vanpools are formed by a minimum of six building employees through a transit agency, free parking for such vanpools will be provided on Level P1.

Element 26: Guaranteed Ride Home
Office tenants will be required to offer emergency transportation home to all permanent, temporary, and contract employees who work a minimum of 20 hours per week at the site, on days they commute via transit, ferry (walk-on passengers only), and/or vanpools when they are required by their employer to work after available transit service has stopped or in an emergency.

This Agreement shall be valid only when signed and dated by all parties.

James A. O'Hanlon
Applicant

Signature

1/24/14
Date

CRISTINA VANVALKENBURGH
For SDOT

Signature

1/27/14
Date

John Shaw
For DPD

Signature

1/24/14
Date

EXHIBIT G
SUSTAINABILITY PRACTICES

Hill7 is pursuing LEED CS 2009 certification, which imposes certain requirements to be agreed upon by Owner and Tenant as part of the lease agreement; such requirements are detailed in this Exhibit.

I. Mechanical, plumbing, and lighting systems installed during the tenant improvement phase must meet the following minimum requirements:

<table>
<tr><th>Tenant Requirement</th><th>LEED CS 2009 Credit</th></tr>
<tr><td>a) Water-source heat pumps (WSHP) shall contain no CFC-based refrigerants.</td><td>• Energy and Atmosphere (EA) prerequisite 3: Fundamental Refrigerant Management
• EA credit 4: Enhanced Refrigerant Management.</td></tr>
<tr><td>b) All mechanical equipment must have 100% economizing capabilities with ventilation capacities per ASHRAE 62.1-2007.</td><td>• Interior Environmental Quality (IEQ) prerequisite 1: Minimum Indoor Air Quality Performance</td></tr>
<tr><td>c) Outdoor air monitoring stations capable of measuring with an accuracy of 15% (plus or minus) at the design minimum outdoor air rate are required at WSHP outdoor air intakes.
d) Outdoor air monitoring equipment must be programmed to generate an alarm through the building automation system to the building operator when the conditions vary by 10% or more from the design value.
e) Carbon dioxide sensors are required for densely occupied spaces (25 people or more per 1,000 square feet).</td><td>• IEQ credit 1: Outdoor Air Delivery Monitoring.</td></tr>
<tr><td>f) Minimum outdoor air ventilation rates to occupied spaces must be 30% greater than ASHRAE 62.1-2007.</td><td>• IEQ credit 2: Increased Ventilation</td></tr>
<tr><td>g) Water-source heat pumps require MERV 13 filtration
h) Spaces containing hazardous contaminants require exhaust a minimum exhaust rate of 0.50 CFM/sq. ft. and a negative pressure with respect to adjacent spaces</td><td>• IEQ credit 5: Indoor Chemical and Pollutant Source Control</td></tr>
<tr><td>i) Plumbing fixtures must meet the maximum flow rates and fixture units (FU) detailed in the following table:
<table>
<tr><th>Fixture Type</th><th>Flow Rate</th><th>Water FU</th><th>Waste FU</th></tr>
<tr><td>Kitchen sink</td><td>1.5 GPM</td><td>1.5</td><td>2</td></tr>
<tr><td>Tank type toilet dual flush</td><td>1.35 GPF</td><td>2.5</td><td>4</td></tr>
<tr><td>Dual flush valve type toilet</td><td>1.35 GPF</td><td>5</td><td>4</td></tr>
<tr><td>Flush valve urinal</td><td>0.125 GPF</td><td>4</td><td>2</td></tr>
<tr><td>Lavatory metering faucet</td><td>0.1 GPC</td><td>1</td><td>1</td></tr>
<tr><td>Shower valve</td><td>1.5 GPM</td><td>2</td><td>2</td></tr>
<tr><td>Pre-rinse spray valve</td><td>1.5 GPM</td><td>2</td><td>2</td></tr>
</table>
Note: Commercial plumbing fixtures and equipment used in kitchens (pot and pan sinks, prep sinks, hand sinks and dishwashers) are exempt from the LEED requirements for low</td><td>• Water Efficiency (WE) prerequisite 1 and
• WE credit 3: Water Use Reduction</td></tr>
</table>

LANDLORD:_____ TENANT:_____

Tenant Requirement	LEED CS 2009 Credit
flow rates.	
j) Tenant total installed lighting power density shall be no greater than 1.33 Watts per square foot in retail spaces and 0.90 Watts per square foot in office spaces. In addition, perimeter office areas, lobbies, and conference rooms located in the primary or secondary daylight zones shall be required to install automatic daylight controls set to provide a minimum of 30 footcandles using either continuous dimming ballasts or a stepped dimming arrangement. Note: primary and secondary daylight zones are defined under Section 201 of the 2009 Seattle Energy Code.	• Energy and Atmosphere (EA) prerequisite 2: Minimum Energy Performance • Energy and Atmosphere (EA) credit 1: Optimize Energy Performance

II. During construction of Tenant Improvements, Tenant must meet the Construction Indoor Air Quality Management Plan by Phillip Greany of M.A. Mortenson Company dated March 16, 2016 to achieve the Innovation in Design (ID) Credit 1.4: Exemplary Performance of IEQ credit 3: Construction IAQ Management Plan During Construction.

EXHIBIT H-1

INITIAL SNDA

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

COBLENTZ, PATCH, DUFFY & BASS, LLP
One Montgomery Street, Suite 3000
San Francisco, California 94104
Attention: Douglas C. Sands, Esq.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Landlord:

1. **HILL 7 DEVELOPERS, LLC**, a Delaware limited liability company

Tenant:

1. **REDFIN CORPORATION**, a Delaware corporation

Lender:

1. **THE UNION LABOR LIFE INSURANCE COMPANY,** a Maryland corporation, on behalf of its Separate Account J

Abbreviated Legal Description:

OFFICE UNIT, INCLUDING ALL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS ALLOCATED THERETO, OF HILL7, A CONDOMINIUM, ACCORDING TO DECLARATION RECORDED JULY 5, 2013 UNDER RECORDING NO. 20130705001353, AND AMENDMENT(S) THERETO; SAID UNIT IS LOCATED ON SURVEY MAP AND PLANS FILED IN VOLUME 277 OF CONDOMINIUMS, AT PAGES 078 THROUGH 090 IN KING COUNTY, WASHINGTON.

Additional legal description is on Exhibit A of document

Assessor's Property Tax Parcel Account Number(s):

066000-1615-06, 066000-1620-09, 066000-1640-05, 066000-1645-00, 066000-1635-02

Reference Numbers of Documents Assigned or Released (if applicable): N/A

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement"), is made as of , , by and among and **REDFIN CORPORATION**, a Delaware corporation ("Tenant"), **HILL 7 DEVELOPERS, LLC**, a Delaware limited liability company ("Landlord"), and **THE UNION LABOR LIFE INSURANCE COMPANY,** a Maryland corporation, on behalf of its Separate Account J ("Lender").

PRELIMINARY STATEMENT

Landlord and Tenant are parties to an Office Lease, dated , 2016 (the "Lease"), pursuant to which Tenant leases from Landlord space (the "Premises") in the mixed-use building known as Hill7, located in Seattle, Washington, and further described on the attachedExhibit A. The Premises is or will be encumbered by that certain Construction Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Landlord for the benefit of Lender (the "Deed of Trust") securing the Note and other Secured Obligations (as described and defined in the Deed of Trust). Tenant has agreed to recognize the rights of Lender in accordance with the terms and provisions of this Agreement.

AGREEMENT

In consideration of the mutual covenants and provisions of this Agreement, the parties agree as follows:

1. ***Subordination***. Notwithstanding anything to the contrary contained in the Lease, the Lease and all extensions, renewals, replacements or modifications thereof, and the leasehold estate created thereby are hereby declared to be, and hereafter shall continue at all times to be, junior, subject and subordinate, in each and every respect, to the Deed of Trust, including, without limitation, (a) any and all increases, renewals, modifications, extensions, substitutions, replacements and or consolidations of Secured Obligations or the Deed of Trust and (b) any future deed of trust, mortgage, or encumbrance affecting the Premises held by or made for the benefit of Lender and/or its successors and assigns. The foregoing subordination is effective and self-operative without the necessity for execution of any further instruments. Tenant hereby covenants with Lender that Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of Lender and/or its successors and assigns without prior written notice to and prior written consent of Lender. At any time at the election of Lender, Lender shall have the right to declare the Lease superior to the lien, provisions, operation and effect of the Deed of Trust.

2. ***Attornment; Nondisturbance***.

(a) Notwithstanding the foregoing subordination, if the interest of Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings (judicial or non-judicial) for enforcement of the Deed of Trust or by reason of a deed in lieu of foreclosure, at the election

of the transferee and its successors and assigns acquiring said interests (the "Purchaser"), Tenant shall be bound to the Purchaser pursuant to all of the terms, covenants and conditions of the Lease for the balance of the term of the Lease then remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Purchaser were the original landlord under the Lease. In such event, subject to the terms and conditions of this Agreement, Tenant does hereby attorn to and agree to attorn to the Purchaser, as its landlord, said attornment to be effective and self-operative without the necessity for execution of any further instruments, upon Purchaser's election after succeeding to the interest of the Landlord under the Lease. In addition, Tenant shall pay to Purchaser all rental and other payments required to be made by Tenant pursuant to the terms of the Lease for the duration of the term of the Lease immediately upon Purchaser succeeding to Landlord's interest in the Lease and giving written notice thereof to Tenant. Landlord hereby waives and releases Tenant from any and all claims and liabilities with respect to any payments made by Tenant pursuant to a written notice delivered to Tenant pursuant to the preceding sentence.

(b) Notwithstanding the provisions of Section 1 and provided that no Event of Default under Section 20 of the Lease ("Tenant Default") has occurred and continues, Purchaser shall be bound to Tenant and its successors and assigns pursuant to all of the terms, covenants and conditions of the Lease for the balance of the term of the Lease then remaining and any extensions or renewals thereof which may be effected in accordance with any option set forth in the Lease, with the same force and effect as if Purchaser were the original landlord under the Lease, and provided that no Tenant Default exists, the Lease shall not be terminated, nor shall Tenant's use, possession or enjoyment of the Premises be interfered with, nor shall the leasehold estate granted by the Lease be affected in any other manner, in any foreclosure or any action or proceeding instituted under or in connection with the Deed of Trust.

3. ***Further Acts***. Notwithstanding any provisions contained in Sections 1 and 2 above which state that the attornment and subordination by Tenant to Purchaser are effective and self-operative without the execution of any further instrument, Tenant agrees that, upon request of Lender and/or Purchaser, it will execute such commercially reasonable written agreement to evidence and affirm any and all of Tenant's obligations under this Agreement, and further, Tenant agrees that it will execute from time to time such further commercially reasonable assurances and estoppel certificates as may reasonably be requested by Lender and Purchaser. Without limiting the generality of the foregoing, if and to the extent that Landlord rejects the Lease in any federal or state proceeding, Tenant will (a) not be allowed to elect to treat the Lease as having been terminated or subject to termination without Lender or Purchaser's prior written consent, and (b) upon the request of Lender or Purchaser, enter into a new lease directly with the Purchaser on the same terms as the Lease, provided execution of such new lease does not violate any bankruptcy law or related court order and further provided that such new lease will not be subject to any intervening superior mortgages, deeds of trust, mechanics liens, or similar financial encumbrances unless Lender or Purchaser obtains a commercially reasonable non-disturbance agreement in favor of Tenant from the holder thereof.

4. ***Limitation***. Neither Lender nor any Purchaser shall be (a) liable for any act or omission of Landlord or any prior landlord (a "Landlord Default") unless, prior to the date of transfer of Landlord's interest in the Lease to Lender or a Purchaser (the "Transfer Date"), (i) Tenant shall have delivered notice to Lender of such Landlord Default, (ii) the time to cure such Landlord Default has passed, and (iii) such Landlord Default is of a continuing nature (such as repair and maintenance obligations) and continues after the Transfer Date (a "Continuing Default"); (b) subject to any credits, claims, setoffs, offsets or defenses which Tenant may have against Landlord or any prior landlord (excluding any rights Tenant may have to contest operating costs or expenses or any other similar rights provided to Tenant in the Lease), and except with respect to Continuing Defaults by the Landlord under the Lease; (c) except for those matters under which Tenant has an express unilateral right provided to Tenant under the original Lease or under any amendment approved by Lender, bound by any amendment, assignment (in whole or in part), subletting, or modification of the Lease to which Lender or Purchaser has not consented in writing, and any attempted amendment, assignment (in whole or in part), subletting, or modification of the Lease without said consent shall be null and void and of no force and effect; (d) notwithstanding clause (a) above, bound by (or responsible for) any advance payment of rent or any other monetary obligations under the Lease to Landlord in excess of one month's prepayment thereof in the case of rent, or in excess of one periodic payment in advance in the case of any other monetary obligations under the Lease unless actually received by Lender or any Purchaser except to the extent such advance payments are expressly required under the Lease (e.g., first month's rent) or have actually been transferred to Lender; (e) notwithstanding clause (a) above, responsible for any letter of credit or security deposit not actually received by and transferred to Lender or any Purchaser; (f) liable for any breach of any warranty in the Lease by Landlord or a prior landlord, unless such breach constitutes a Continuing Default; (g) bound by any obligation to repair, replace, rebuild or restore the Premises, or any part thereof, in the event of damage by fire or other casualty, or in the event of partial condemnation, beyond such repair, replacement, rebuilding or restoration as may be required of the landlord under the Lease and as can reasonably be accomplished with the use of the net insurance proceeds or the net condemnation award actually received by or made available to Lender (as successor in interest to Landlord) or Purchaser; (h) required to remove any person occupying the Premises or any part thereof; or (i) liable for any condition in, on, or about the Premises existing prior to the Transfer Date ("Pre-Existing Condition"), except to the extent such Pre-Existing Condition continues to exist after the Transfer Date and constitutes a Continuing Default. Neither Lender nor any Purchaser shall be liable for any reason for amounts in excess of the value of its interest in the Premises (which interest the parties acknowledge includes the rents, profits, and insurance, condemnation, and sales proceeds therefrom actually received by Lender or Purchaser, as applicable), or for consequential or punitive damages of any kind.

Notwithstanding anything to the contrary herein, if Lender or any Purchaser succeeds to the Landlord's interest in the Lease, Lender or such Purchaser, as applicable, shall be responsible for any undisbursed portion of the Allowance (as defined in the Lease) including remedies for nonpayment thereof, subject to the provisions of the Lease.

5. ***Notice; Cure; Waivers***. Tenant agrees to give Lender copies of all written notices given by Tenant to Landlord regarding (a) any Landlord Default, (b) requests for or notices of

assignments and subleases by Tenant, and (c) exercise by Tenant of any extension option, expansion right or early termination right. Lender shall have the right to remedy any Landlord Default, or to cause any Landlord Default to be remedied, and for such purpose Tenant hereby grants Lender an additional ten (10) days after receipt of written notice from Tenant, to enable Lender to elect to remedy, or cause to be remedied, any such Landlord Default in addition to the period given to Landlord for remedying, or causing to be remedied, any such Landlord Default of the Lease; upon such Lender election, Lender shall have a reasonable period of time to remedy or cause to be remedied such Landlord Default (but in no event more than thirty (30) days beyond any cure period afforded Landlord pursuant to the Lease, provided that, in the case of a non-monetary default, if such Landlord Default is not susceptible of being cured within such thirty (30) day period, and Lender shall have commenced and is diligently pursuing the cure of such default, Lender shall have an additional sixty (60) day period to cure such Landlord Default). Tenant's failure to provide such notice to Lender shall not constitute a default under this Agreement. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. No non-monetary Landlord default under the Lease shall exist or shall be deemed to exist (a) as long as Lender, in good faith, shall have commenced to cure such default within the above referenced time period and shall be prosecuting the same to completion with reasonable diligence (but in no event more than thirty (30) days beyond any cure period afforded Landlord pursuant to the Lease, provided that, in the case of a non-monetary default, if such default is not susceptible of being cured within such thirty (30) day period, and Lender shall have commenced and is diligently pursuing the cure of such default, Lender shall have an additional sixty (60) day period to cure such default), or (b) if possession of the Premises is required in order to cure such default, or if such default is not susceptible of being cured by Lender, as long as Lender, in good faith, shall have notified Tenant that Lender intends to institute proceedings under the Deed of Trust, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence (but in no event more than ninety (90) days beyond any cure period afforded Landlord pursuant to the Lease).

6. ***Effective Through Lease Term***. This Agreement shall remain in effect throughout the term of the Lease, including all option periods, if any. Nothing contained herein shall impose any obligation on Lender to perform any of the obligations of Landlord under the Lease unless and until Lender shall become an owner or mortgagee in possession of the Premises. If Lender, by succeeding to the interest of Landlord under the Lease, should become obligated to perform the covenants of Landlord thereunder accruing following such acquisition by Lender, then, upon any further transfer of Landlord's interest by Lender, all of such obligations accruing after the date of such transfer shall terminate as to Lender.

7. ***Payments of Rent to Lender***. The parties acknowledge that the Lease and all payments of rent under the Lease (the "Rent") have been assigned to Lender. Tenant agrees that upon receipt of written notice from Lender that a default exists under the Deed of Trust and until such time as Lender has given Tenant written notice that all of Landlord's monetary obligations to Lender have been fully paid, Tenant will pay the Rent directly to Lender or as directed by Lender. Landlord agrees that Tenant may make payments to Lender directly upon receipt of such notice, without liability to Landlord, and thereby be properly credited with an offset and

credit for such payments as against the rental payments then due under the Lease. Landlord, by its execution hereof, agrees that this Agreement does not constitute a waiver by Lender of any of Lender's rights under the Deed of Trust and any assignment of leases or rents contained therein, or in a separate instrument or in any way release the Landlord from any of the terms, conditions, obligations, covenants and agreements of the Deed of Trust.

8. ***Governing Law***. It is the intent of the parties hereto that this Agreement shall be governed by and construed under the laws of the State where the Premises is located (the "State") without giving effect to its conflicts of laws principles. For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the State and Landlord, Tenant and Lender consent that they may be served with any process or paper by registered mail or by personal service within or without the State in accordance with applicable law. Furthermore, Landlord and Tenant waive and agree not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper.

9. ***Notices***. All notices, consents, approvals or other instruments required or permitted to be given by either party pursuant to this Agreement shall be in writing and given by (i) hand delivery, (ii) express overnight delivery service or (iii) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (a) receipt, if hand delivered, (b) the next business day, if delivered by express overnight delivery service, or (c) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the parties and addresses specified below, or to such other address or such other person as any party may from time to time hereafter specify to the other parties hereto in a notice delivered in the manner provided above.

Notice Addresses:

If to Landlord:	Hill7 Developers, LLC 2025 First Ave, Suite 1212 Seattle WA, 98121
If to Tenant:	Before the Commencement Date: 2025 1st Ave, Ste 500 Seattle, WA 98121 Attn: General Counsel On and after the Commencement Date: The Premises Attn: General Counsel

If to Lender:	The Union Labor Life Insurance Company on behalf of its Separate Account J 8403 Colesville Road 13th Floor Silver Spring, MD 20910 Attention: Herbert Kolben
with a copy to:	The Union Labor Life Insurance Company on behalf of its Separate Account J 1625 Eye Street, N.W. Washington, D. C. 20006 Attention: General Counsel

10. ***Waiver and Amendment; Captions; Severability.*** No provisions of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. Captions are used throughout this Agreement for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof. The provisions of this Agreement shall be deemed severable. If any part of this Agreement shall be held unenforceable, the remainder shall remain in full force and effect, and such unenforceable provision shall be reformed by such court so as to give maximum legal effect to the intention of the parties as expressed therein.

11. ***Waiver of Jury Trial***. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD, TENANT AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY HERETO OR ITS RESPECTIVE SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

12. ***Authority; Successors***. Tenant, Landlord and Lender covenant and agree that the persons signing on their behalf have full power, authority and authorization to execute this Agreement, without the necessity of any consents, authorizations or approvals, or if such consents, authorizations or approvals are required they have been obtained prior to the execution hereof. All provisions, covenants and agreements contained in this Agreement shall bind, inure to the benefit of, and equally relate to, Tenant, and its successors and assigns, jointly and severally, Landlord, and its successors and assigns, jointly and severally, and Lender, and its successors and assigns, or other holder or holders of Secured Obligations, including an endorsee, assignee or pledgee of the Secured Obligations receiving title thereto by or through Lender, or its successors or assigns.

13. ***No Other Agreements; Counterparts***. This Agreement represents the final agreement between the parties hereto with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

14. ***Union Labor Requirements.*** Tenant acknowledges receipt of Lender's Labor Standards (as defined in the Construction Loan Agreement between Lender and Landlord) and agrees to comply therewith in connection with the Lease.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT has been executed by Borrower, Tenant and Lender the day and year first above written.

TENANT:

REDFIN CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

[Signatures continue on following page]

LANDLORD:

HILL7 DEVELOPERS, LLC,
a Delaware limited liability company

By: HILL7 INVESTOR, LLC,
a Delaware limited liability company,
its co-managing member

By: PRINCIPAL REAL ESTATE INVESTORS, LLC,
a Delaware limited liability company,
its authorized signatory

By: _____
Name: _____
Title: _____

By: PRINCIPAL REAL ESTATE INVESTORS, LLC,
a Delaware limited liability company,
its authorized signatory

By: _____
Name: _____
Title: _____

By: HILL7 OFFICE GP, LLC,
a Delaware limited liability company,
its managing member

By: TOUCHSTONE-URG HILL7 OFFICE LLC,
a Washington limited liability company,
its managing member

By: _____
Name: _____
Title: _____

[Signatures continue on following page]

LENDER:

THE UNION LABOR LIFE INSURANCE COMPANY,
a Maryland corporation, on behalf of its Separate Account J

By: _____
Name: _____
Title: _____

Exhibit A

Legal Description

THE REAL PROPERTY SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING, DESCRIBED AS FOLLOWS:

OFFICE UNIT, INCLUDING ALL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS ALLOCATED THERETO, OF HILL7, A CONDOMINIUM, ACCORDING TO DECLARATION THEREOF RECORDED JULY 5 UNDER RECORDING NO. 20130705061353, AND AMENDMENT(S) THERETO; SAID UNIT IS LOCATED ON SURVEY MAP AND PLANS FILED IN VOLUME 277 OF CONDOMINIUMS, AT PAGES 078 THROUGH 090 IN KING COUNTY, WASHINGTON.

EXHIBIT H-2

FORM OF ESTOPPEL CERTIFICATE

To: _____ ("**Recipient**")

Ladies and Gentlemen:

The undersigned, hereby certifies to Recipient the following, as of the present date:

1. It is the tenant under an Office Lease dated , 2016 (the "**Lease**"), by and between , a ("**Landlord**"), and the undersigned as Tenant, for premises particularly described in the Lease (the "Premises") in the building located at (the "**Building**"). All capitalized terms not otherwise defined herein shall have the meanings provided in the Lease.

2. The Lease is in full force and effect. The Lease has not been amended, modified or supplemented except as follows: .

3. The Lease Term expires on [, subject to Tenant's renewal options as provided in Section of the Lease].

4. The annual Base Rent presently payable under the Lease is $. No Base Rent or other sums or charges payable to landlord under the Lease have been paid for more than one (1) month in advance of the due date thereof.

5. Tenant has delivered to Landlord a security deposit in the amount of $5,423,712.50.

6. To Tenant's actual knowledge, Tenant has performed all of its obligations under the Lease and Tenant has no knowledge of any event which with the giving of notice, the passage of time or both would constitute an Event of Default by Tenant under the Lease[, except].

7. To Tenant's actual knowledge, Landlord has performed all of its obligations under the Lease and Tenant has no knowledge of any event which with the giving of notice, the passage of time or both would constitute an Event of Default by Landlord under the Lease[, except].

8. To Tenant's actual knowledge, Tenant has no claim against Landlord [, except].

9. To Tenant's actual knowledge, Tenant has no right of offset or defense to enforcement of any of the terms of the Lease.

10. To Tenant's actual knowledge, there are no sums due to Tenant from Landlord [, except].

11. Tenant has not assigned the Lease and has not subleased the Premises or any part thereof [, except as follows:]. [Tenant shall identify any assignments or subleases]

Tenant's "actual knowledge" means the current, actual knowledge of the person executing this document on behalf of Tenant as of the date of this certificate, without any duty of investigation or inquiry.

The undersigned individual hereby certifies that he or she is duly authorized to sign, acknowledge and deliver this letter on behalf of Tenant.

Tenant's certifications are made solely to estop Tenant from asserting to or against Recipient facts or claims contrary to those stated. This estoppel certificate does not constitute an independent contractual undertaking or constitute representations, warranties or covenants or otherwise have legal effect other than estopping Tenant from asserting to or against Recipient any contrary facts or claims. This estoppel certificate does not modify in any way Landlord's relationship, obligations or rights vis a vis Tenant.

REDFIN CORPORATION,
a Delaware corporation

By: _____
Name: _____
Its: _____

EXHIBIT I

UNION LABOR STANDARDS

(a) All Construction at or related to the Project, including Tenant Improvements, theoff-site manufacture of custom cabinetry and millwork (trim and molding) and their on-site installation, and transportation of major construction/excavation materials (including concrete) to and from the Project site, shall be performed in compliance with the standards set forth in this Exhibit ("Union Labor Standards"). Union Labor Standards are as follows: (i) all Construction at or related to the Project, including Tenant Improvements constructed by Borrower and by tenants shall be performed only by General Contractors and Subcontractors (excluding material suppliers other than suppliers of custom cabinetry and millwork) having collective bargaining agreements with unions affiliated with the Building and Construction Trades Department of the AFL-CIO as of January 1, 2001, (ii) all transportation of major construction/excavation materials (including concrete) to and from the Project shall be performed by firms that have having collective bargaining agreements with unions affiliated with the Building and Construction Trades Department of the AFL-CIO as of January 1, 2001 (iii) assignment of work shall be in accordance with national agreements in place among crafts as of January 1, 2001, and joint board decisions of record from the local area, (iv) each General Contractor and Subcontractor shall use good faith diligent efforts to avoid jurisdictional disputes over work performed on or in connection with the Project and in the event a disagreement arises relating to the jurisdiction over work performed on or in connection with the Project, use their best efforts to resolve any such disagreement promptly and direct any subcontractors to also do so including if necessary, strongly encouraging the parties involved to enter into binding arbitration on an expedited basis, as typical for resolution of such jurisdictional disputes in this area, (v) the Core and Shell General Contractor must have and keep in place full compliance labor union agreements with the carpenters, cement masons, operating engineers and laborers locals in the area of the Project; (vi) each General Contractor must have and keep in place a full compliance labor union agreement for any work to be performed by that General Contractor's directly hired work force; (vii) if any union agreement with a General Contractor would permit subcontracting to non-union subcontractors under any circumstances, the applicable General Contractor must formally waive such rights for work related to the Project. A list of unions affiliated with the Building and Construction Trades Department of the AFL-CIO as of January 1, 2001 is set forth in attached ExhibitJ-1. Except for compliance with the Union Labor Standards and except as otherwise provided in the other applicable provisions of this Agreement, each General Contractor shall retain and exercise the right of control with respect to the awarding of any contract or subcontract for work to be performed at the Project.

(b) In addition to the Core and Shell Improvements and the initial Tenant Improvements, any General Contractor shall use only Subcontractors (excluding material suppliers) having collective bargaining agreements with unions affiliated with the Building and Construction Trades Department of the AFL-CIO as of January 1, 2001 to perform the following work on or in connection with the Project:

(i) Expansion, including tenant improvements related to such expansion;

(ii) Replacement of the roof;

(iii) Major repair or replacement of the HVAC system;

(iv) Elevator repair and maintenance; or

Repair, replace or installation of electric panel board(s) and entry service cables.

EXHIBIT I-1

UNIONS AFFILIATED WITH THE BUILDING AND CONSTRUCTION TRADES DEPARTMENT OF THE AFL-CIO AS OF JANUARY 1, 2001

International Association of Heat and Frost Insulators and Asbestos Workers

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.

International Union of Bricklayers and Allied Craftworkers

United Brotherhood of Carpenters and Joiners of America

International Brotherhood of Electrical Workers

International Union of Elevator Constructors

International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers

Laborers' International Union of North America

International Union of Operating Engineers

Operative Plasterers' and Cement Masons' National Association of the United States and Canada

International Brotherhood of Painters and Allied Trades

United Union of Roofers, Waterproofers and Allied Workers

International Brotherhood of Teamsters

Sheet Metal Workers' International Association

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

EXHIBIT J

RULES AND REGULATIONS

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease. In the event of any conflict between these rules and regulations and the text of the Lease, the text of the Lease shall be given priority.

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors and halls will not be obstructed or used for any purpose other than ingress and egress. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and the Landlord will in all cases retain the right to control and prevent access thereto of all persons whose presence, in the judgment of the Landlord, will be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained will be construed to prevent such access to persons with whom the Tenant normally deals only for the purpose of conducting its business on the Premises (such as clients, customers, office suppliers and equipment vendors, and the like) unless such persons are engaged in illegal activities.

2. No awnings or other projections will be attached to the outside walls of the Building. No curtains, blinds, shades or screens will be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard window covering. All electric ceiling fixtures hung in offices or spacers along the perimeter of the Building must be fluorescent, of a quality, type, design and bulb color approved by Landlord. Neither the interior nor the exterior of any windows will be coated or otherwise sun screened without written consent of Landlord.

3. No sign, advertisement, notice or handbill will be exhibited, distributed, painted or affixed by any Tenant on, about or from any part of the Premises or the Building without the prior written consent of the Landlord. If the Landlord will have given such consent at the time, whether before or after the execution of this Lease, such consent will in no way operate as a waiver or release of any of the provisions hereof or of this Lease, and will be deemed to relate only to the particular sign, advertisement or notice so consented to by the Landlord. In the event of the violation of the foregoing by any Tenant, Landlord may remove or stop same without any liability, and may charge the expense incurred in such removal or stopping to the Tenant. The directory tablet will be provided exclusively for the display of the name and location of the Tenants only and Landlord reserves the right to exclude any other names therefrom. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard signage.

4. Tenant will exercise reasonable care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, so as to prevent waste or damage. No appliances using water may be installed without Landlord's prior written consent, including consent to the method of installation and materials used. Tenant will cooperate with Landlord in obtaining maximum effectiveness of the cooling system by closing blinds when the sun's rays fall directly on the windows of the Premises. Tenant will not tamper with or change the sweating of any thermostats or temperature control valves.

5. The toilet rooms, water and wash closets and other plumbing fixtures will not be used for any purpose other than those for which they were constructed, no sweepings, rubbish, rags, or other substances will be thrown therein. All damages resulting from any misuse of the fixtures by Tenant, its subtenants, assignees or any of their servants, employees, agents, visitors or licensees will be borne by Tenant.

6. No Tenant will mark, paint, drill into, or in any way deface any part of the Premises or the Building. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings will be permitted, except with the prior written consent of the Landlord (which Landlord will not unreasonably withhold) and as the Landlord may direct.

7. No bicycles, vehicles, birds or animals of any kind (except for seeing eye dogs for the blind and other registered service animals) will be brought into or kept in or about the Premises, and no cooking will be done or permitted by any Tenant on the Premises, except that the preparation of coffee, tea, hot chocolate and similar items for Tenants and their employees will be permitted provided power will not exceed that amount which can be provided by a 30 amp circuit. No Tenant will cause or permit any unusual or objectionable odors to be produced or permeate the Premises. Smoking or carrying lighted cigars, cigarettes or pipes in the Building or in the Common Areas or any location within 25 feet of any building entrance is prohibited. Landlord may but shall not be required to designate a smoking area on the Project and Tenant shall ensure that its employees and invitees do not smoke anywhere on the Project except the designated smoking area.

8. The Premises will not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the permitted use of the Premises. No Tenant will occupy or permit any portion of the Premises to be occupied as an office for a public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form or as a medical office, or as a barber or manicure shop, or as an employment bureau, without the express written consent of Landlord. No Tenant will engage or pay any employees on the Premises except those actually working for such Tenant on the Premises, nor advertise for laborers giving an address at the Premises. The Premises will not be used for lodging or sleeping or for any immoral or illegal purpose.

9. No Tenant will make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them whether by the use of any musical instruments, radio, phonograph, unusual noise, or in any other way. No Tenant will throw anything out of doors, windows or skylight or down the passageways.

10. No Tenant, subtenant or assignee nor any of their servants, employees, agents, visitors or licensees, will at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance.

11. No additional locks or bolts of any kind will be placed upon any of the doors or windows by any Tenant, nor will any changes be made in existing locks or the mechanisms thereof. Each Tenant must upon the termination of his tenancy, restore to the Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, such Tenant and in the event of the loss of keys so furnished, such Tenant will pay to the Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord will deem it necessary to make such changes.

12. The removal or the carrying in or out of any safes, freight, furniture, or bulky matter of any description must take place during the hours, which Landlord will determine from time to time. The moving of safes or other fixtures or bulky matter of any kind must be done upon previous notice to the Property Manager of the Building and under his supervision, and the persons employed by any Tenant for such work must be acceptable to Landlord. The Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Lease. The Landlord reserves the right to prescribe the weight and position of all safes, which must be placed upon supports, approved by Landlord to distribute the weight. No furniture, packages or merchandise will be received in the Building or carried up or down in the elevator except on freight elevators and during such hours as will be designated by the Landlord. In no event will Tenant be charged a freight elevator usage fee.

13. No Tenant will purchase spring water, ice, towels, janitorial or maintenance or other like services, from any person or persons not approved by the Landlord, which approval will not be unreasonably withheld.

14. Landlord will have the right to prohibit any advertising by any Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as an office location and upon written notice from Landlord any such Tenant will refrain from or discontinue such advertising.

15. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m., Monday through Friday and at all hours on Saturday and Sunday and legal holidays, all persons who are not known to Building Security and who do not present a pass to the Building approved by the Landlord. The Landlord will furnish passes to persons for whom any Tenant requests the same in writing. Each Tenant will be responsible for all persons for whom he requests passes and will be liable to the Landlord for all acts of such persons. Landlord will in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of an invasion, mob riot, public excitement or other circumstances rendering such action advisable in Landlord's opinion, Landlord reserves the right without any abatement of rent to require all persons to vacate the Building and to prevent access to the Building during the continuance of the same for the safety of the Tenants and the protection of the Building and the property in the Building.

16. Any persons employed by any Tenant to do janitorial work will, while in the Building and outside of the Premises, be subject to and under the control and direction of the superintendent of the Building (but not as an agent or servant of said superintendent or of the Landlord), and Tenant will be responsible for all acts of such persons on or about the Project.

17. All doors opening onto public corridors will be kept closed, except when in use for ingress and egress.

18. Canvassing, soliciting and peddling in the Building are prohibited and each Tenant will report and otherwise cooperate to prevent the same.

19. All office equipment of any electrical or mechanical nature will be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

20. No air conditioning unit, portable heaters or other similar apparatus will be installed or used by any Tenant without the written consent of Landlord, which consent will not be unreasonably withheld; except that Tenant will have the right to install a supplementary air conditioning unit as shown on the Final Plans agreed to for the Tenant Improvements to the Premises.

21. There will not be used in any space or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and rubber side guards.

22. The scheduling of Tenant move-ins and move-outs will be subject to the reasonable discretion of Landlord.

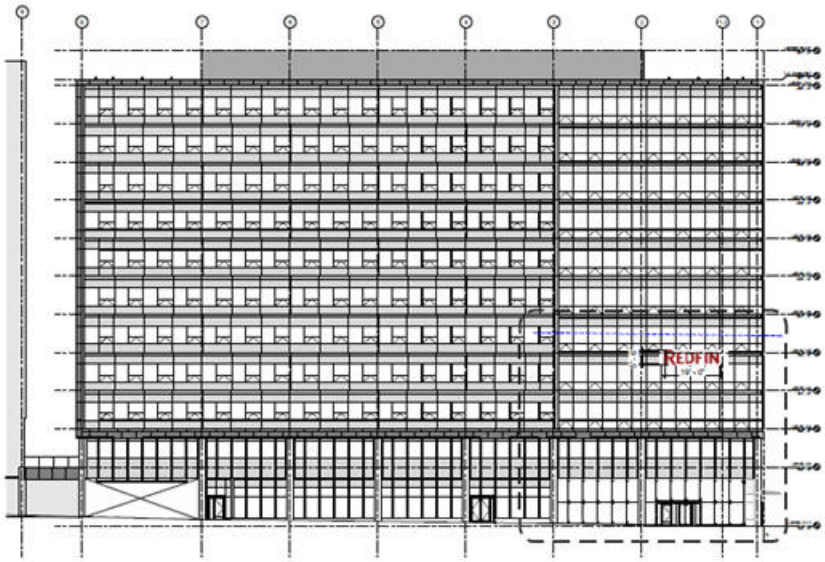
23. If Tenant desires telephone or telegraph connections, Landlord will direct electricians as to where and how the wires are to be introduced. No boring, cutting for wires or otherwise will be made without directions from Landlord.

24. The term **"personal goods or services vendors"** as used herein means persons who periodically enter the Building of which the Premises are a part for the purpose of selling goods or services to a Tenant, other than goods or services which are used by the Tenant only for the purpose of conducting its business on the Premises. **"Personal goods or services"** include, but are not limited to, drinking water and other beverages, food, barbering services, and shoe shining services. Landlord reserves the right to prohibit personal goods and services vendors from access to the Building except upon such reasonable terms and conditions, including but not limited to, the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Building, the preservation of good order thereon, and the relief of any financial or other burden on the Landlord occasioned by the presence of such vendors or the sale by them of personal goods or services to the Tenant or its employees. If necessary for the accomplishment of these purposes, Landlord may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Building.

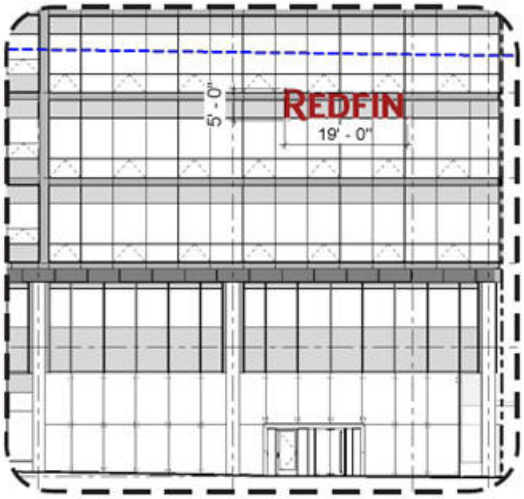
Landlord will not be responsible for lost or stolen property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when such area or public rooms are locked against entry.

EXHIBIT K-1

APPROVED EXTERIOR SIGNAGE DRAWINGS



BOREN AVENUE ELEVATION



ENLARGED SIGN ELEVATION


REDFIN

EXHIBIT K-2

APPROVED BUILDING MONUMENT SIGNAGE DRAWINGS

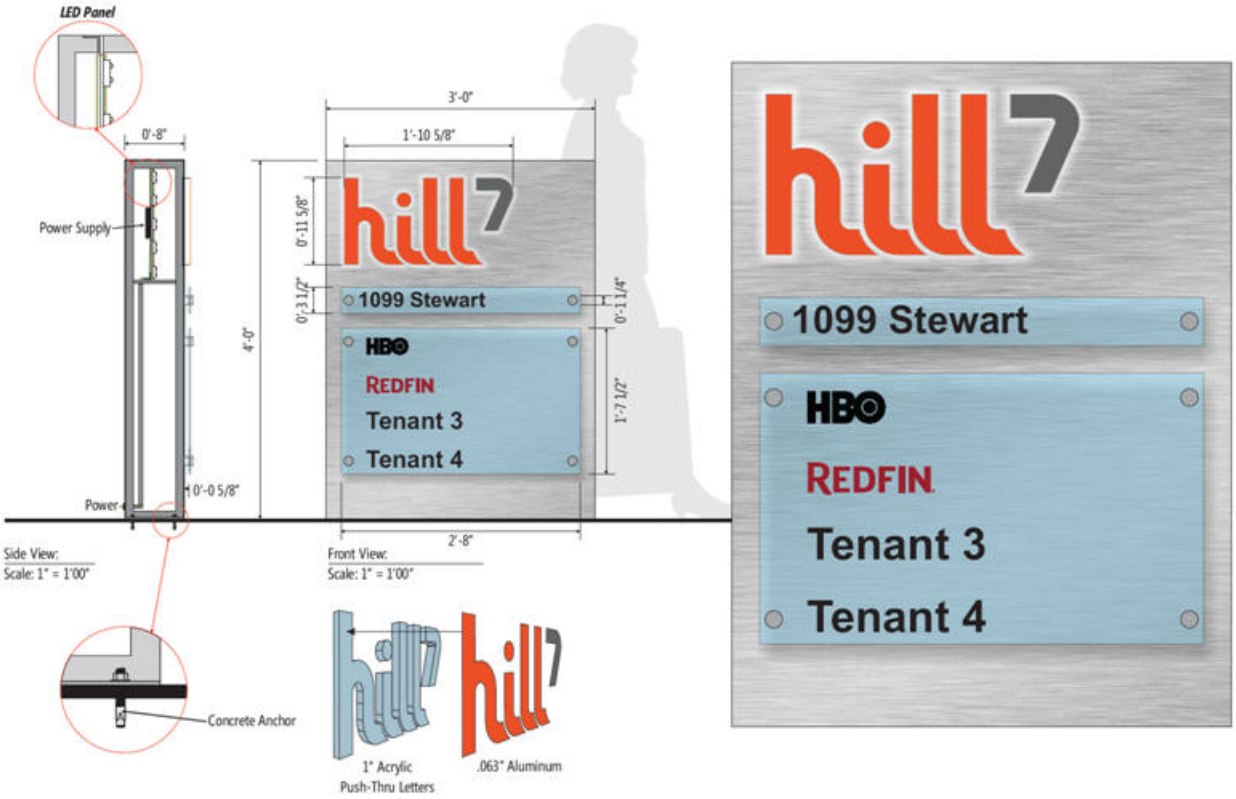


EXHIBIT L

SUPERIOR ROFOs

Pursuant to that certain Office Lease (the "HBO Lease") between Landlord and HBO CODE LABS, INC., a Delaware corporation ("HBO"), upon the expiration or termination of the initial lease(s) with another tenant or tenants for the 1st, 2nd, 3rd, 4th, 5th, 6th and 7th floors in the Building and subject to any then-existing tenant's extension rights, Landlord shall, prior to offering such space to other tenants, first offer the space to HBO, and HBO shall have ten (10) business days within which to elect to lease all of part of such space at fair market value.

Additional Information Regarding the HBO Lease:

1. RSF/Floors—112,222 rentable square feet, consisting of the entire 8th, 9th, 10th and 11th floors.

2. Initial Expiration Date/Number and Length of Extension Terms – The initial term expires on May 31, 2025, subject to 2 options to extend for two additional terms of 7 years each.

3. Deadline for exercise of first Extension Term—Not more than fifteen (15) months or less than twelve (12) months prior to the then-scheduled expiration of the term.

EXHIBIT M

JANITORIAL SPECIFICATIONS

SCHEDULES & SCOPE OF SERVICES FOR JANITORIAL

Services shall be provided five (5) nights per week. At any time during the term, Landlord shall have the right to modify such services for the overall benefit of the Building; however, should Tenant expand to occupy the entire Building, Landlord shall agree to consult with Tenant prior to any change to the services below. Notwithstanding the foregoing, the services shall include, but not be limited to, the following:

I. TENANT AREAS - Office Areas – OCCUPIED FLOORS ONLY

Includes Building Conference Rooms and Engineering Offices (if applicable)

NIGHTLY

1. Spot clean entrance doors, glass partitions and relites.
2. Empty wastebaskets and recycling receptacles. Wipe outside surface clean and replace liners as needed.
3. Empty tenant central recycling receptacle when three quarters full.
4. Damp wipe and polish all glass furniture tops.
5. Remove fingerprints and marks from surfaces including doors, door frames, cleanable walls, wall switches, glass partitions, and all metal and bright work.
6. Dust all horizontal surfaces of desks, furniture and office accessories (only when papers, folders, etc. are stacked in one place). All accessories to be returned to proper position after clean-up. Spot clean to remove water rings and dirt.
7. Dust and spot clean all surfaces within reach including office furniture, file cabinets, shelves, partition tops, doors, molding, baseboards, and wall adornments.
8. Wipe clean conference room tables.
9. Clean, sanitize and polish drinking fountains.
10. Dust mop uncarpeted floors and interior staircases. Spot mop to remove dirt, stains and spillage.
11. Vacuum all high-traffic carpeted area (reception area, conference rooms, corridors and interior staircases) from wall to wall daily. Vacuum balance of carpeted area (private offices, cubicle areas, etc.) from wall to wall no less than two times per week. Spot clean as needed to remove dirt and stains.
12. Upon completion of nightly duties in each tenant suite:
    a. All chairs, furniture and wastebaskets to be returned to proper position when cleaned.
    b. Floor areas to be policed thoroughly to ensure paper, paper clips and other debris are removed.
    c. If directed by Manager, close blinds to conserve energy.
    d. All lights will be turned off, unless otherwise instructed.
    e. Tenant entry and access doors will be locked and secured.
    f. Activate all alarm systems as instructed by occupant, where applicable.
    g. Report any damage to office space, burned out lights, fixture malfunctions, etc. to Manager.

WEEKLY

1. Dust and wipe clean chair bases and arms, telephones, cubicle shelves, partition tops, picture tops, window sills, ledges and all other horizontal and vertical surfaces within reach.
2. Dust or vacuum high and low comers, edges and fixtures to remove cobwebs.
3. Damp mop uncarpeted floors. Spot clean as required to remove stains and scuff marks. Composition floors will be maintained with anon-slip finish.
4. All carpeted areas are to be thoroughly vacuumed (including around and under desks, furniture, planters, file cabinets and comers). Edge with an edging tool.
5. Dust baseboards and spot clean to remove dirt.
6. Thoroughly police tenant space to ensure cleanliness in hard to reach locations or areas not easily visible (i.e., behind and under furniture, planters, etc.)

MONTHLY

1. Dust inside of all door jambs.
2. Clean and polish metal surfaces of entrance doors, including door hardware, kick plates, push plates and metal thresholds.
3. High dust all vertical and horizontal surfaces, including furniture, file cabinets, ledges, window sills, door frames, partition tops, shelves, books, picture frames, artwork, etc.
4. Vacuum upholstered furniture.
5. Vacuum all ceiling air supply and exhaust vents.

II. TENANT AREAS – Kitchens and Break Rooms

Includes Building Conference Rooms and Engineering Offices

NIGHTLY

1. Wipe clean and remove fingerprints and dirt from exterior surfaces of kitchen cabinets, large and small appliances and vending machines.
2. Clean, disinfect and polish all sinks and faucets, using a non-abrasive cleanser.
3. Wipe clean countertops, tables and chairs.
4. Spot clean walls, doors and window sills.
5. Empty trash receptacles, sanitize and replace liners.
6. Empty tenant central recycling receptacle when three quarters full.
7. Dust and wet mop uncarpeted floors. Spot clean to remove stains and scuff marks.

WEEKLY

1. Wash base and legs of tables and chairs.
2. Dust all horizontal and vertical surfaces including vents, window sills and ledges. Spot clean as necessary.
3. Dust or vacuum high and low comers, edges and fixtures to remove cobwebs.

III. STORE ROOMS, JANITORIAL CLOSETS AND BREAK ROOM

NIGHTLY

1. Discard all mop water. Inspect drains in slop sinks to remove any obstruction.
2. Clean mop sinks and surround areas immediately after use.
3. Remove trash from receptacles. Trash will not be stored overnight.
4. Stock closets with an adequate supply of liners and paper products.

5. Shelves, closets and supplies to be maintained in a neat and orderly condition.
6. Equipment and cleaning implements to be kept in neat and clean condition at all times.
7. Spot clean doors and walls.
8. Dust mop all floors; spot clean as needed.
9. Turn off lights when not in use.
10. Janitorial restrooms will be maintained in the same condition as the public restrooms (if applicable).

WEEKLY

1. Clean accumulated debris from floor drains. Clean and flush floor drains.
2. Clean and disinfect service sinks and adjacent areas.
3. Dust all horizontal and vertical surfaces, as needed.
4. Damp mop all floors.

MONTHLY

1. Wet mop concrete floors.

Exhibit 10.8

MORTGAGE WAREHOUSE AGREEMENT

by and between

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, and

TEXAS CAPITAL BANK, NATIONAL ASSOCIATION

DATED:
DECEMBER 21, 2016

AGREEMENT NO.:
4301

Mortgage Warehouse Agreement
Version: 2015-11
HAL2016-4

MORTGAGE WAREHOUSE AGREEMENT

THIS MORTGAGE WAREHOUSE AGREEMENT (this "Agreement") is made and entered into as of DECEMBER 21, 2016 (the "Effective Date") between REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY (the foregoing are each individually and collectively referred to herein as "Seller") and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION.

RECITALS

A. Seller is actively engaged in Mortgage Loan Activities.

B. Seller is seeking additional funding sources for its Mortgage Loan Activities through the sale of Participation Interests in Mortgage Loans generated by such Mortgage Loan Activities.

C. Bank is, among other things, in the business of purchasing participation interests in Mortgage Loans.

D. Seller shall have no obligation to offer for sale, and Bank shall have no obligation to purchase, Participation Interests in such Mortgage Loans. However, Seller and Bank desire to set forth the terms under which such offers and purchases, if any, can be made.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants, representations, warranties and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Specific Defined Terms**. As used in this Agreement, the following terms shall have the meanings set forth below:

"Advance Request Termination Date" shall mean the final day on which Seller may submit to Bank a Request. The Advance Request Termination Date is the earlier to occur of: (a) DECEMBER 21, 2017; or (b) the date on which Seller's rights hereunder to submit any and all Requests to Bank shall terminate pursuant to the provisions of this Agreement or any other Warehouse Document (including, pursuant to Section 5.2, 5.3 or 9.2).

"Bank Document Deliverables" shall mean, with respect to any Participated Mortgage Loan, (a) the original of the fully executed Mortgage Note for such Participated Mortgage Loan, together with the Required Endorsements related thereto (including, without limitation, each original executed allonge required by Bank in connection therewith) and (b) any other agreements, files, records and other documents related to such Participated Mortgage Loan which are required to be delivered to Bank in connection with the purchase of the Participation Interest in such Participated Mortgage Loan pursuant to the Warehouse Program Guide in effect as of the related Purchase Date.

"Document Custodian" shall mean Bank.

"Eligible Mortgage Loan" shall mean any Mortgage Loan: (a) that is a Seller Originated Mortgage Loan; (b) that is in all respects in compliance with the provisions of the Warehouse Program Guide applicable to such Mortgage Loan; (c) for which all of the representations and warranties set forth in Section 6.10 shall be true, complete and correct on and as of the Purchase Date of a Participation Interest in such Mortgage Loan and at all times thereafter; and (d) which is otherwise acceptable to Bank in its sole and absolute discretion on and as of such Purchase Date.

"Funding Fee" shall mean a fee payable by Seller to Bank in an amount equal to FIFTY and No/100 Dollars ($50.00) for each Participated Mortgage Loan. Subject to applicable Law, Bank may, in its sole and absolute discretion, adjust the Funding Fee applicable to Participated Mortgage Loans upon thirty (30) days advance written notice to Seller, in which case, commencing upon the thirty-first (31st) day after the date of such notice, the Funding Fee set forth in such written notice shall apply to any and all Mortgage Loans in which Bank elects to purchase Participation Interests on or after such thirty-first (31st) day.

"Maximum Participation Amount" shall mean an amount equal to TEN MILLION and No/100 Dollars ($10,000,000.00); provided, however, that during any Overline Period, the Maximum Participation Amount shall be the amount set forth for the same in the related Overline Confirmation for such Overline Period.

"Minimum Pledged Balance" shall mean good funds in an amount not less than TWO Percent (2.00%) of the Maximum Participation Amount; provided, however, that during any Overline Period, the Minimum Pledged Balance shall be the amount set for the same in the related Overline Confirmation for such Overline Period.

"Mortgage Loan Activities" shall mean the processing, origination, administration, servicing and selling of Mortgage Loans by Seller and any other business activities related thereto or contemplated by this Agreement (including any activities related to Mortgage Loan Transactions).

"Mortgage Loan Transaction" shall mean, with respect to any Mortgage Loan, the closing and funding of such Mortgage Loan by the applicable Escrow Agent.

"Participation Interest Rate" shall mean, with respect to any Participated Mortgage Loan, the per annum rate of interest payable to Bank in connection with such Participated Mortgage Loan and its Participation Interest therein, which rate shall be calculated as a fixed rate equal to the greater of: (a) the Mortgage Note Rate for such Participated Mortgage Loan as of the related Purchase Date Minus ONE HUNDRED FIFTY Basis Points (1.50%); or (b) the Participation Interest Rate Floor; provided, however, that the Participation Interest Rate for any Participated Mortgage Loan shall not at any time be greater than the maximum rate permitted under applicable Law. Subject to applicable Law, Bank may, in its sole and absolute discretion, adjust the Participation Interest Rate applicable to Participated Mortgage Loans upon thirty (30) days advance written notice to Seller, in which case, commencing upon the thirty-first (31st) day after the date of such notice, the Participation Interest Rate for any and all Mortgage Loans in which Bank elects to purchase Participation Interests on or after such thirty-first (31st) day shall be the lesser of (a) the rate of interest set forth in such written notice or (b) the maximum rate permitted under applicable Law for the applicable Participated Mortgage Loan. All interest hereunder shall be calculated on the basis of a three hundred sixty (360) day year and shall accrue on the actual number of days elapsed for any whole or partial month in which interest is being calculated.

"Participation Interest Rate Floor" shall mean an interest rate equal to THREE HUNDRED Basis Points (3.00%) per annum. Subject to applicable Law, Bank may, in its sole and absolute discretion, adjust the Participation Interest Rate Floor applicable to Participated Mortgage Loans upon thirty (30) days advance written notice to Seller, in which case, commencing upon the thirty-first (31st) day after the date of such notice, the Participation Interest Rate Floor set forth in such written notice shall apply to any and all Mortgage Loans in which Bank elects to purchase Participation Interests on or after such thirty-first (31st) day.

"Repayment Account" shall mean the deposit account established, owned and controlled by Bank, into which all proceeds from each sale of any Participated Mortgage Loan by Bank and Seller to a Take-Out Purchaser shall be funded and deposited, and such account and all funds deposited or maintained therein shall be disbursed and applied by Bank pursuant to the terms of this Agreement. The account number for the Repayment Account is 2111051526 or such other deposit account number designated by Bank from time to time as the Repayment Account in a written notice delivered by Bank to Seller pursuant to this Agreement.

"Required Endorsements" shall mean, with respect to any Mortgage Note, at Bank's election, either: (a) the endorsement pursuant to applicable Law of such Mortgage Note in blank by Seller (which may, in Bank's discretion, be evidenced by an original allonge, in form and content acceptable to Bank, executed by Seller and affixed to such Mortgage Note); or (b) no endorsement of such Mortgage Note by Seller, if Bank shall have received and accepted a valid power of attorney, in form and content satisfactory to Bank, authorizing Bank to endorse such Mortgage Note for and on behalf of Seller (provided that prior to any delivery of such Mortgage Note by Bank to a Take-Out Purchaser, such Mortgage Note shall be endorsed in favor of such Take-Out Purchaser by Bank as agent for Seller under such power of attorney).

"Standard Participation Percentage" shall mean a percentage equal to NINETY-SEVEN percent (97.00%).

"Target Usage Amount" shall mean an amount equal to Fifty Percent (50.00%) of the principal balance of mortgage loans originated by the Seller during the calendar month.

1.2 **General Defined Terms**. In addition to the terms defined in Section 1.1, as used in this Agreement, the following terms shall have the meanings set forth below:

"Accepted Lending Practices" shall mean the loan origination practices to be observed by the originators of the Mortgage Loans, which practices shall be conducted: (a) in a commercially reasonable manner and in good faith; (b) in accordance with the provisions of this Agreement; (c) in accordance with all applicable Laws; (d) in accordance with the requirements (if any) of the Warehouse Program Guide; and (e) in a manner consistent with customary and usual standards of practice of prudent originators of residential mortgage loans.

"Accepted Servicing Practices" shall mean the loan servicing practices to be observed by Seller in connection with Participated Mortgage Loans, which practices shall be conducted: (a) in a commercially reasonable manner and in good faith; (b) in accordance with the provisions of this Agreement; (c) in accordance with all applicable Laws; (d) in accordance with the Warehouse Program Guide; (e) in a manner consistent with customary and usual standards of practice of prudent servicers of residential mortgage loans; and (f) to the extent consistent with the foregoing, in a manner to maximize the timely and complete recovery of all Mortgage Loan Collections.

"Account" or "Accounts" shall mean any of the deposit accounts to be established and maintained pursuant to this Agreement, including: (a) the Participation Account; (b) the Pledged Account; (c) the Remittance Account; (d) the Repayment Account; and (e) such other accounts as Bank may require Seller to establish pursuant to or in connection with this Agreement or any other Warehouse Document.

"Advance" shall mean each payment of funds by Bank to Seller pursuant to the terms of this Agreement to pay the Purchase Price for the purchase of a Participation Interest. Such payment by Bank to Seller of the Purchase Price for a Participation Interest shall be effected through the delivery by Bank on behalf of Seller of the proceeds of the related Advance directly to the applicable Funding Recipient, which proceeds shall be applied towards satisfying Seller's obligations with respect to the applicable Mortgage Loan Transaction. With respect to any Participated Mortgage Loan, an Advance shall be deemed to be made on the date on which funds are wired or otherwise transferred by Bank to the related Funding Recipient regardless of whether funds are actually received by such Funding Recipient on the date of the initiation of such wire or other transfer.

"Aged Participated Mortgage Loan" shall mean any Participated Mortgage Loan which does not constitute a Retired Participated Mortgage Loan on or after the thirtieth (30th) day after the Purchase Date for such Participated Mortgage Loan.

"Agency" shall mean FHA, FHLMC, FNMA, GNMA, VA or USDA.

"Agreement Termination Date" shall mean the date on which this Agreement shall terminate and cease to be in force and effect (except with respect to the provisions of this Agreement which expressly survive termination). The Agreement Termination Date is the earlier to occur of: (a) the date on which this Agreement shall terminate pursuant to Section 5.2(c); or (b) the date on which this Agreement shall otherwise terminate in accordance with the express terms of this Agreement or any other Warehouse Document.

"Bank" shall mean TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, and its successors and assigns.

"Bank Payment Deliverables" shall mean any and all checks, commercial paper, notes, cash or other forms of payment of any and all sums: (a) required to be paid to Bank hereunder but which have been received by Seller (including any and all proceeds received by Seller from the sale of any Participated Mortgage Loan to a Take-Out Purchaser); or (b) received by Seller during the occurrence of an Event of Default which sums relate to any Participated Mortgage Loan.

"Bankruptcy Code" shall mean Title 11 of the United States Code, as now or hereafter in effect.

"Bailee Letter" shall mean a letter, in such form and content required by Bank, delivered or caused to be delivered by Bank to any Take-Out Purchaser in connection with the proposed purchase of a Participated Mortgage Loan by such Take-Out Purchaser or its designee, which letter, among other things, directs such Take-Out Purchaser to hold, as bailee for Bank, the Mortgage Loan Documents for such Participated Mortgage Loan.

"Blanket Assignment" shall mean an assignment agreement in the form ofExhibit I, or in such other form required by Bank, executed and acknowledged by Seller and Bank, which evidences, among other things, the sale, transfer, assignment and conveyance by Seller to Bank of any and all Participation Interests in the Participated Mortgage Loans and the Mortgage Loan Documents related thereto now or hereafter purchased by Bank from Seller.

"Borrower" shall mean any Person who is an obligor on or under a Mortgage Loan.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which commercial banks are authorized or required to be closed under the Laws of the State of Texas. Unless otherwise provided herein, the term "day" means a calendar day.

"Collateral" shall have the meaning given to such term in the UCC-1 financing statement attached hereto as Exhibit D

"Escrow Agent" shall mean, with respect to any Mortgage Loan, the title company or agency, approved in advance by Bank, which is responsible for the closing and funding of such Mortgage Loan.

"Event of Default" shall mean any of the events specified in Section 9.1.

"FHA" shall mean the Federal Housing Administration, or its successor.

"FHLMC" shall mean the Federal Home Loan Mortgage Corporation, or its successor.

"FNMA" shall mean the Federal National Mortgage Association, or its successor.

"Funding Recipient" shall mean, with respect to any Participated Mortgage Loan, the Person to whom Bank shall directly pay the Purchase Price for the purchase of a Participation Interest in such Participated Mortgage Loan, as set forth in the related Request, provided that such Person meets the qualifications set forth in the Warehouse Program Guide for being a Funding Recipient with respect to such Participated Mortgage Loan.

"Generally Accepted Accounting Principles" or "GAAP" shall mean those generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through its Accounting Principles Board or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof and which are consistently applied for all applicable periods, except that any accounting principle or practice required to be changed by the said Accounting Principles Board or Financial Accounting Standards Board (or other appropriate board or committee of the said Boards) in order to continue as a generally accepted accounting principle or practice may be so changed.

"GNMA" shall mean the Government National Mortgage Association, or its successor.

"Governmental Authority" shall mean any and all (domestic or foreign) federal, state, county, municipal, city or other government department, commission, board, court, agency or any other instrumentality of any of them having jurisdiction over Bank, Seller, the Mortgage Loans or any of the transactions contemplated herein.

"Guarantor" shall mean any Person who now or hereafter has executed and delivered to Bank a Guaranty Agreement.

"Guaranty Agreement" shall mean, individually and collectively, each guaranty agreement, in such form and content required by Bank, now or hereafter executed and delivered to Bank in connection with this Agreement and the transactions contemplated hereby, including each agreement (if any) attached hereto as Exhibit C.

"Investor" shall mean any Person (other than a Securitizer), approved in advance by Bank, who purchases or agrees to purchase any Participated Mortgage Loan from Seller and Bank pursuant to an Investor Loan Purchase Agreement.

"Investor Loan Purchase Agreement" shall mean, with respect to any Participated Mortgage Loan to be sold by Seller and Bank to any Investor, a current, valid, binding and enforceable commitment issued by such Investor in favor of Seller, and/or other written agreement or arrangement between such Investor and Seller, to purchase such Participated Mortgage Loan (including any such commitment or agreement which does not specifically identify such Participated Mortgage Loan but which contemplates the purchase of Mortgage Loans by such Investor from time to time on a best-efforts basis), which Investor Loan Purchase Agreement provides for a purchase price to be paid by such Investor of not less than the Take-Out Purchase Price for such Participated Mortgage Loan and which is otherwise on terms and in such form and content acceptable to Bank.

"Law" or "law" shall mean any and all present and future law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, guideline, authorization or other direction or requirement of the United States, or of any city or municipality, state, commonwealth, nation, country, territory or possession or of any court or governmental department, commission, board, bureau, agency or instrumentality. The terms "Law" and "law" include: (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, 124 Stat. 1376 (2010), and any and all Laws issued thereunder or in connection therewith, as may be amended from time to time (collectively, the "Dodd-Frank Act"); (b) the Interagency Appraisal and Evaluation Guidelines jointly issued on December 2, 2010 by the Office of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration, as the same may be amended from time to time (collectively, the "Interagency Appraisal Guidelines"); (c) the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. §§ 5101 et seq.) and any and all applicable state Laws related thereto, as may be amended from time to time (collectively, the "S.A.F.E. Act"); (d) any and all similar Laws from time to time in effect; (e) any and all interpretations, rules, and regulations promulgated by any Government Authority in connection with the foregoing; and (f) any and all amendments to or replacements of the foregoing.

"Lien" shall mean any lien, mortgage, security interest, assignment, tax lien, pledge or encumbrance, or conditional sale or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, or any other interest in Property designed to secure the repayment of indebtedness.

"Loan Application" shall mean a completed application for the applicable Mortgage Loan in its final form, signed by all applicable Borrowers, and which is in compliance with all applicable Laws.

"Material Adverse Effect" shall mean any set of circumstances or event which with respect to any Person: (a) could reasonably be expected to have a material adverse effect upon the validity, performance, or enforceability of any Warehouse Document against such Person; (b) is or could reasonably be expected to have a material adverse effect upon the condition (financial or otherwise), properties, liabilities (actual or contingent), business operations or prospects of such Person; (c) could reasonably be expected to materially impair the ability of such Person to perform its obligations under any Warehouse Document to which it is a party; or (d) could reasonably be expected to cause an Event of Default.

"Maximum Judgment Amount" shall mean the lesser of: (a) $250,000.00; or (b) at any particular time, the amount equal to ten percent (10.0%) of the sum of Seller's cash, cash equivalents (certificates of deposit and other depository accounts established at FDIC-insured banks), United States government-issued securities and other registered, unrestricted equity or debt securities which are publicly traded on a recognized United States exchange and have been approved by Bank, in its sole and absolute discretion and which, in all events, are held in Seller's name and are free and clear of all Liens (except Liens in favor of Bank).

"Mortgage Loan" shall mean a residential mortgage loan evidenced by a Mortgage Note and secured by a Security Instrument.

"Mortgage Loan Collections" shall mean all checks, instruments, funds, and other property from time to time paid on, under or with respect to any Participated Mortgage Loan under any Mortgage Loan Document or otherwise related thereto, including, without limitation, all payments of principal, interest, fees, charges, costs, expenses, indemnities and other amounts, and all proceeds of sale of such Participated Mortgage Loan.

"Mortgage Loan Documents" shall mean, with respect to any Mortgage Loan, the Mortgage Note evidencing such Mortgage Loan, the Security Instrument securing such Mortgage Loan, and all other agreements, instruments and documents governing, evidencing, guaranteeing or relating to such Mortgage Loan, Mortgage Note or Security Instrument.

"Mortgage Loan File" shall mean, with respect to any Participated Mortgage Loan, any and all Mortgage Loan Documents and other agreements, files, records and other documents related to such Participated Mortgage Loan (including the related credit file and underwriting standards under which Seller approved such Participated Mortgage Loan).

"Mortgage Note" shall mean, with respect to any Mortgage Loan, a full recourse promissory note evidencing such Mortgage Loan and secured by a Security Instrument.

"Mortgage Note Rate" shall mean, with respect to any Mortgage Loan, the per annum rate of interest in effect and accruing from time to time on the outstanding principal balance of such Mortgage Loan, as set forth in the Mortgage Note evidencing such Mortgage Loan.

"Mortgaged Property" shall mean, with respect to any Mortgage Loan, the Residential Real Property subject to a Security Instrument securing such Mortgage Loan.

"Obligated Party" shall mean Seller, each Guarantor, or any other Person who is or becomes party to any agreement that guarantees or secures payment or performance of Seller's obligations to Bank under this Agreement.

"Outstanding Participation Balance" shall mean, at any given time, an amount, as reflected on Bank's books and records, equal to the aggregate sum of each Repurchase Price which would be payable by Seller to Bank hereunder if Seller was required hereunder to immediately repurchase from Bank, in their entirety, all of Bank's then-outstanding Participation Interests in all Participated Mortgage Loans pursuant to Section 4.8 hereof.

"Participated Mortgage Loan" shall mean any Mortgage Loan in which Bank has elected to purchase a Participation Interest from Seller pursuant to the terms and conditions of this Agreement. A Mortgage Loan in which Bank has purchased a Participation Interest shall cease to be a Participated Mortgage Loan hereunder at such time as such Mortgage Loan is a Retired Participated Mortgage Loan.

"Participation Account" shall mean the deposit account established and maintained by Seller at Bank for the purpose of holding funds of Seller to be used to pay Seller's Funding Amounts. The account number for the Participation Account is identified in Schedule 1 to the Pledge Agreement.

"Participation Interest" shall mean, with respect to any Mortgage Loan, an undivided percentage ownership interest in all rights, titles and interests in, to and under such Mortgage Loan (including, all Mortgage Loan Collections payable on, and with respect to such Mortgage Loan, all of such Mortgage Loan Documents and all other obligations thereunder, all claims, suits, causes of action, and any other rights, known or unknown, against any of the related Borrower, guarantor or other Person relating to any of the foregoing, all collateral, guarantees and other security of or provided by any of the related Borrower or any other Person of any kind for or in respect to any and all of the foregoing, and all proceeds of any and all of the foregoing) purchased by Bank from Seller hereunder and owned by Bank. The undivided percentage ownership interest of Bank in any such Mortgage Loan shall be equal to the Participation Percentage for such Mortgage Loan in effect from time to time.

"Participation Percentage" shall mean, with respect to any Participation Interest in a Participated Mortgage Loan, a percentage of undivided ownership interest in such Participated Mortgage Loan equal to: (a) the Standard Participation Percentage; or (b) if Bank elects, in its sole discretion, to make an Advance for the purchase of such Participation Interest which is greater or less than the amount equal to the Standard Participation Percentage multiplied by the outstanding principal amount of such Participated Mortgage Loan as of the related Purchase Date, then the amount of such Advance divided by such outstanding principal amount, expressed as a percentage; as the Participation Percentage for such Participated Mortgage Loan is reflected on Bank's books and records. Upon any repurchase of all or any portion of Bank's outstanding Participation Interest in any Participated Mortgage Loan by Seller hereunder, Bank's then-current Participation Percentage in such Participated Mortgage Loan shall be adjusted pursuant to this Agreement to give effect to such repurchase. The Participation Percentage for any Participated Mortgage Loan shall be the percentage reflected on Bank's books and records from time to time for such Participation Percentage, absent manifest error conclusively established by Seller.

"Party" shall mean each of Seller and Bank.

"Permitted Encumbrances" shall mean, with respect to any Mortgage Loan: (a) the Lien of current real property taxes and assessments not yet due and payable; (b) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording being acceptable pursuant to Accepted Lending Practices and specifically referred to in the lender's title insurance policy delivered to the originator of such Mortgage Loan and which do not adversely affect the appraised value of the Mortgaged Property for such Mortgage Loan; and (c) other matters to which like properties are commonly subject which are acceptable pursuant Accepted Lending Practices and do not, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by the Security Instrument for such Mortgage Loan or the use, enjoyment, value or marketability of the related Mortgaged Property.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

"Pledge Agreement" shall mean, individually and collectively, each pledge or security agreement, in such form and content required by Bank, now or hereafter executed for the benefit of Bank in connection with this Agreement and the transactions contemplated hereby, including each agreement attached hereto as Exhibit B.

"Pledged Account" shall mean the depository account or accounts established and maintained by Seller at Bank for the purpose of holding funds of Seller to be used as a source of funds to pay the Repurchase/Sale Obligations. The account number for the Pledged Account is identified in Schedule 1 to the Pledge Agreement.

"Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Purchase Date" shall mean, with respect to any Participated Mortgage Loan, the date and time of the Advance for the purchase by Bank of a Participation Interest in such Participated Mortgage Loan.

"Purchase Price" shall mean, with respect to a Participation Interest in any Mortgage Loan to be purchased by Bank, an amount equal to the outstanding principal amount of such Mortgage Loan on the related Purchase Date multiplied by the Bank's Participation Percentage for such Participation Interest in such Mortgage Loan.

"Remittance Account" shall mean the deposit account established and maintained by Seller at Bank into which Bank shall deposit any and all funds received by Bank from time to time which are attributable hereunder to Seller's Retained Percentage in any Participated Mortgage Loan and which are required to be paid by Bank to Seller hereunder.

"Repurchase Participation Percentage" shall mean, with respect to a Participation Interest in any Participated Mortgage Loan: (a) the portion of Bank's outstanding Participation Percentage in such Participated Mortgage Loan which is required by Bank to be repurchased by Seller from Bank pursuant to Section 4.7, expressed as a percentage (for example, if Bank's Participation Percentage immediately prior to the repurchase is 99.0%, and Bank's Participation Percentage is required to be reduced to 89.0% in connection with the repurchase, then the Repurchase Participation Percentage would equal 10.0%); or (b) one hundred percent (100.0%) of Bank's outstanding Participation Percentage in such Mortgage Loan which is required by Bank to be repurchased in its entirety by Seller from Bank pursuant to Section 4.8 (for example, if Bank's Participation Percentage immediately prior to the repurchase is 99.0%, and Bank's Participation Percentage is required to be reduced to 0.0% in connection with the repurchase, then the Repurchase Participation Percentage would equal 99.0%).

"Repurchase Price" shall mean, with respect to a Participation Interest in any Participated Mortgage Loan, the amount to be paid by Seller to Bank for the repurchase of all or any portion of such Participation Interest which is required by Bank to be repurchased by Seller from Bank pursuant to Sections 4.7 or 4.8, which amount shall be equal to: (a) the amount of any then-earned and unpaid Funding Fee payable by Seller to Bank hereunder with respect to such Participated Mortgage Loan as of the date of such repurchase; plus (b) the amount of any then-earned and unpaid Administrative Fees payable by Seller to Bank hereunder with respect to such Participated

Mortgage Loan as of the date of such repurchase; plus (c) an amount equal to (i) the Purchase Price for such Participated Mortgage Loan, multiplied by (ii) the Repurchase Participation Percentage for such Participated Mortgage Loan; plus (d) the amount of Bank's pro rata share of accrued interest on such Participated Mortgage Loan (which is allocable to the portion of the Participation Interest that is required to be repurchased by Seller), determined at the Participation Interest Rate for such Participated Mortgage Loan, during the period of time commencing on the Purchase Date for such Participated Mortgage Loan and ending on the date of such repurchase; plus (e) any and all other amounts related to such Participated Mortgage Loan which are then due and payable by Seller to Bank under this Agreement as of the date of such repurchase (including, without limitation, any and all costs and expenses of Bank incurred in enforcing its rights and remedies hereunder in connection with the related Mortgage Loan); less (f) all amounts (if any) received and applied by Bank hereunder, as of the date of such repurchase, towards payment of Bank's pro rata share (determined in accordance with Bank's Participation Percentage in effect from time to time with respect to such Participation Interest) of principal and interest (determined at the applicable Participation Interest Rate) on such Participated Mortgage Loan.

"Repurchase/Sale Obligations" shall mean: (a) any and all obligations of Seller, whether now existing or hereafter arising, to (i) arrange for the sale by and on behalf of the Parties of each Participated Mortgage Loan to a Take-Out Purchaser, and complete each such sale, as and when required pursuant to the terms and conditions of this Agreement and (ii) repurchase all or any portion of Bank's Participation Interest in each Participated Mortgage Loan as and when required pursuant to the terms and conditions of this Agreement; (b) any and all liabilities of Seller to Bank in connection with the obligations described in clause (a) of this sentence; and (c) any and all costs and expenses incurred by Bank in connection with the collection, administration or enforcement of all or any part of the obligations and liabilities described in clauses (a) and (b) of this sentence or the protection or preservation of, or realization upon, any collateral securing all or any part of such liabilities and obligations, including, without limitation, all reasonable attorneys' fees.

"Request" shall mean any request by Seller to Bank for the purchase by Bank from Seller of a Participation Interest in an Eligible Mortgage Loan and the Advance by Bank of funds for the Purchase Price for such Participation Interest, which Request shall be delivered by Seller to Bank in such manner and shall contain such information as may be required by Bank from time to time.

"Residential Real Property" shall mean a single platted lot of land improved with a one- to-four family residence.

"Restricted Accounts" shall mean the Participation Account and the Pledged Account.

"Retained Percentage" shall mean, with respect to any Participated Mortgage Loan, the percentage of undivided ownership interest retained by Seller in such Participated Mortgage Loan, after giving effect to the sale by Seller and purchase by Bank of such Participation Interest hereunder, which percentage shall be, for any such Mortgage Loan, equal to the difference of one hundred percent (100.0%) less the Bank's Participation Percentage in such Participated Mortgage Loan. Upon any repurchase of all or any portion of Bank's outstanding Participation Interest in any Participated Mortgage Loan by Seller hereunder, Seller's then-current Retained Percentage in such Participated Mortgage Loan shall be adjusted to give effect to such repurchase. The Retained Percentage for any Participated Mortgage Loan shall be the percentage reflected on Bank's books and records from time to time for such Retained Percentage, absent manifest error conclusively established by Seller.

"Retired Participated Mortgage Loan" shall mean any Mortgage Loan in which Bank has purchased a Participation Interest: (a) which has been subsequently sold in its entirety to a Take- Out Purchaser and the full amount of the Take-Out Purchase Price for such sale has been received and applied by Bank (as reflected on the Bank's books and records), all pursuant to the terms of this Agreement; (b) for which the Participation Interest in such Mortgage Loan has been subsequently repurchased in its entirety by Seller from Bank and the full amount of the Repurchase Price for such repurchase has been received and applied by Bank (as reflected on the Bank's books and records), all pursuant to the terms of this Agreement; or (c) for which the entire principal balance and all accrued interest for such Mortgage Loan has been subsequently paid in full by the related Borrower, and Bank's pro rata share of such amounts (determined in accordance with Bank's Participation Percentage and the Participation Interest Rate in effect from time to time with respect to such Mortgage Loan) have been received and applied by Bank (as reflected on the Bank's books and records), all pursuant to the terms of this Agreement.

"Security Instrument" shall mean, with respect to any Mortgage Loan, a full recourse mortgage or deed of trust securing such Mortgage Loan and granting a perfected first priority lien on the Residential Real Property related thereto.

"Securitizer" shall mean any Person, approved in advance by Bank in its sole and absolute discretion, who or which purchases or agrees to purchase any Participated Mortgage Loan from Seller and Bank pursuant to a Securitizer Loan Purchase Agreement in connection with the securitization of a pool of mortgage loans.

"Securitizer Loan Purchase Agreement" shall mean, with respect to any Participated Mortgage Loan to be sold by Seller and Bank to a Securitizer, a current, valid, binding and enforceable mortgage loan purchase and sale agreement and/or other written agreement between the Securitizer and Seller regarding the sale of mortgage loans by Seller to, and purchase by, the Securitizer in connection with the securitization of a pool of residential mortgage loans, which Securitizer Loan Purchase Agreement provides for a purchase price to be paid by the Securitizer of not less than the Take-Out Purchase Price for such Participated Mortgage Loan and which is otherwise on terms and in such form and content acceptable to Bank in its sole and absolute discretion.

"Seller's Funding Amount" shall mean, with respect to any Participated Mortgage Loan and the related Mortgage Loan Transaction, the total amount to be paid by Seller (through sources other than an Advance) in connection with such Mortgage Loan Transaction, which Seller's Funding Amount shall be equal to the Total Funding Amount for such Participated Mortgage Loan less the Purchase Price for the Participation Interest therein.

"Seller Originated Mortgage Loan" shall mean any Mortgage Loan: (a) originated by Seller and closed in the name of Seller as lender; and (b) with respect to which Seller is (or shall be upon the closing thereof) the holder of the Mortgage Note for such Mortgage Loan and otherwise owns all rights, titles and interests in and to such Mortgage Loan.

"Take-Out Purchase Agreement" shall mean any Investor Loan Purchase Agreement or Securitizer Loan Purchase Agreement.

"Take-Out Purchase Price" shall mean, with respect to any Participated Mortgage Loan to be sold by Seller and Bank to a Take-Out Purchaser pursuant to a Take-Out Purchase Agreement, an amount which is not less than: (a) as of the date of such sale, the outstanding principal balance of such Mortgage Loan plus any and all accrued and unpaid interest thereon; or (b) such other amount approved by Bank as confirmed in writing by Bank to Seller prior to such sale.

"Take-Out Purchaser" shall mean any Securitizer or any Investor approved in advance by Bank in its sole and absolute discretion for the purchase of a Mortgage Loan from Seller and Bank.

"Title Policy" shall mean, with respect to any Participated Mortgage Loan, a title insurance policy relating to such Participated Mortgage Loan, in such form acceptable to Bank, which title insurance policy: (a) is issued by a nationally recognized title insurance company acceptable to Bank; (b) provides insurance to the lender named therein, and such lender's successors and assigns, in the full amount of such Participated Mortgage Loan and insures that that the lien of the Security Instrument for such Participated Mortgage Loan is a first and prior lien upon the related Mortgaged Property, without any exceptions, except for Permitted Encumbrances; (c) includes such endorsements thereto which are consistent with Accepted Lending Practices; and (d) satisfies the requirements (if any) of the Warehouse Program Guide.

"Total Funding Amount" shall mean, with respect to any Participated Mortgage Loan and the related Mortgage Loan Transaction, the total amount to be paid by Seller in connection with such Mortgage Loan Transaction (including amounts to be provided on behalf of Seller by Bank through the making of an Advance for the purchase of a Participation Interest in such Participated Mortgage Loan), as set forth in the related Request.

"UCC" shall mean the Uniform Commercial Code of the State of Texas or other applicable jurisdiction, as it may be amended from time to time.

"USDA" shall mean the United States Department of Agriculture, or its successor.

"VA" shall mean the United States Department of Veterans Affairs, or its successor.

"Warehouse Documents" shall mean this Agreement, the Blanket Assignment, each Guaranty Agreement, the Pledge Agreement and any and all other agreements, instruments and documents evidencing, securing or pertaining to Bank's discretionary purchase of Participation Interests in Mortgage Loans from Seller hereunder, as shall from time to time be executed and delivered to Bank by Seller, any Obligated Party or any other Person pursuant to or in connection with this Agreement or the transactions contemplated hereby, including each addendum to this Agreement (if any) executed by Bank and Seller, any future amendments hereto, or restatements hereof, together with any and all renewals, extensions, and restatements of, and amendments and modifications to, any such agreements, documents and instruments.

"Warehouse Program Guide" shall mean, collectively, the "Warehouse Program Guide" issued by Bank and made available to Seller pursuant to the provisions of this Agreement, as amended, modified or supplemented from time to time by Bank, and including any notices or bulletins issued by Bank concerning the guidelines, procedures and requirements for the transactions contemplated by this Agreement.

1.3 **Other Defined Terms**. In addition to the terms defined in Section 1.1 and Section 1.2, as used in this Agreement, other capitalized terms contained in this Agreement shall have the meanings assigned to them.

1.4 **Other Definitional Provisions**.

(a) All terms defined in this Agreement shall have the herein defined meanings when used in any document, certificate, report or other document, instrument, or writing made or delivered pursuant to this Agreement or any other Warehouse Document, unless the context therein shall otherwise require.

(b) Words used herein in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular herein shall apply to such words when used in the plural where the context so permits and vice versa.

(c) The words "herein," "hereof," "hereunder" and other similar compounds of the word "here" when used in this Agreement shall refer to the entire Agreement and not to any particular provision or section; and the word "including," as used herein, shall mean "including, without limitation."

(d) All references herein to "Articles" and "Sections" are, unless specified otherwise, references to articles and sections of this Agreement. All references herein to an "Exhibit," "Schedule" or "Addendum" are references to exhibits, schedules or addenda attached hereto, all of which are made a part hereof for all purposes, the same as if set forth herein verbatim, it being understood that if any exhibit, schedule or addendum attached hereto, which is to be executed and delivered, contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained and as contemplated herein prior to or at the time of the execution and delivery thereof.

ARTICLE 2
PURCHASE OF PARTICIPATION INTERESTS

2.1 **Request for Purchase**.

(a) At any time prior to the Advance Request Termination Date, Seller may submit a Request to Bank for Bank to purchase a Participation Interest in one or more Eligible Mortgage Loans from Seller hereunder by delivering or causing to be delivered to Bank, by electronic data submission or in such other manner, as may be required by Bank from time to time, the information and other items for such Eligible Mortgage Loans required by Bank pursuant to the Warehouse Program Guide.

(b) To assist Bank in making its decision whether to purchase a Participation Interest in any particular Eligible Mortgage Loan, Seller will timely provide Bank or Bank's agents with the information and other items for such Eligible Mortgage Loan required by Bank pursuant to the Warehouse Program Guide.

(c) Each submission of a Request shall be deemed to constitute a representation and warranty by Seller to Bank on the date of such Request and on the date of an Advance made by Bank to purchase a Participation Interest in any Mortgage Loan in connection with such Request that: (i) such Request relates to an Eligible Mortgage Loan; and (ii) the information and materials submitted to Bank in connection with such Mortgage Loan and such Request are true, correct and complete in all respects.

(d) Each submission of a Request shall constitute Seller's agreement and reaffirmation of the terms of the Blanket Assignment, such that, if Bank elects to purchase from Seller a Participation Interest in the Mortgage Loan referenced in such Request, then effective upon payment by Bank to Seller of the Purchase Price for such Participation Interest pursuant to

the terms of this Agreement, Seller shall have (and shall be conclusively deemed to have) irrevocably and unconditionally sold, transferred, assigned and conveyed to Bank, and Bank shall have (and shall be conclusively deemed to have) purchased and accepted from Seller, all of Seller's rights, titles, and interests in, to and under such Participation Interest in such Mortgage Loan and the related Mortgage Loan Documents, and such sale, transfer, assignment and conveyance shall be evidenced by the Blanket Assignment (including the Schedule thereto which shall be updated and maintained by Bank, and which Seller hereby confirms and accepts, and shall be conclusive absent manifest error conclusively established by Seller).

2.2 **Decision to Purchase**. Each decision of Bank whether to purchase any Participation Interest in any Mortgage Loan from Seller hereunder shall be made by Bank in its sole and absolute discretion. Bank shall be under no obligation hereunder to purchase any Participation Interest in any Mortgage Loan nor shall Bank have any obligation hereunder to purchase any minimum amount of Participation Interests in Mortgage Loans. In each instance where a Request is submitted to Bank, Bank will make an independent decision whether to purchase a Participation Interest in any Mortgage Loan contemplated by the Request. Bank may decline to purchase any Participation Interest in any Mortgage Loan for any reason or for no reason whatsoever and shall provide Seller with notice of its decision not to purchase a Participation Interest within one Business Day of receipt of the Request from Seller. The election of Bank to purchase a Participation Interest in any Mortgage Loan shall be evidenced by the making of an Advance by Bank for the payment of the Purchase Price related thereto. If Bank elects to purchase a Participation Interest in an amount other than the Standard Percentage, it shall provide Seller with notice of its decision within one Business Day of receipt of the Request from Seller.

2.3 **Conditions to Each Purchase**. As a condition precedent to any purchase of a Participation Interest by Bank from Seller hereunder, in addition to all other requirements set forth herein, Seller shall deliver to Bank all of the following, each being duly executed, endorsed, notarized where applicable and delivered and in form and content satisfactory to Bank in its sole and absolute discretion:

(a) The information and other items required to be delivered to Bank pursuant to Section 2.1;

(b) If requested by Bank, a written certification from Seller to Bank that the representations and warranties of Seller contained in this Agreement and each other Warehouse Document (other than those representations and warranties which are, by their terms, expressly limited to the date of the agreement in which they were initially made) are true and correct in all material respects on and as of the date of such purchase;

(c) If requested by Bank, a written certification from Seller that no Event of Default has occurred or is continuing as of the date of the Advance;

(d) Seller has adequate available funds on deposit in the Participation Account in an amount not less than Seller's Funding Amount for such Mortgage Loan; and

(e) Such other documents as Bank may reasonably request at any time at or prior to the date of the first Advance hereunder or as a condition to any subsequent Advance hereunder, including any and each Pledge Agreement and Guaranty Agreement required by Bank to be executed in connection with the transactions contemplated by this Agreement.

Each submission of a Request shall be deemed to constitute a representation and warranty by Seller to Bank on the date of such Request and on the date of the applicable Advance made to purchase a Participation Interest in connection with such Request as to the facts and statements specified in clauses

(a), (b), (c) and (d) immediately above and in Sections 5.1(e), (g) and (h) are true and correct. It is understood and agreed that Bank shall not make any Advance for the Purchase Price of any Participation Interest unless with respect thereto Bank is in receipt of all agreements and documents required to be delivered to Bank under this Agreement and all other conditions precedent and requirements set forth herein are satisfied or waived by Bank in writing.

All conditions precedent hereunder to the purchase of a Participation Interest are solely for the benefit of Bank. Bank's election, in its sole discretion, to waive any condition precedent hereunder for the purchase of any Participation Interest shall not constitute a waiver of the satisfaction of such condition precedent for any subsequent purchase of any other Participation Interest. No such condition precedent shall be deemed waived unless waived in writing by Bank.

2.4 **Funding of Mortgage Loan Transactions; Purchase of Participation Interests** With respect to each Participated Mortgage Loan, Bank and Seller agree that:

(a) Bank shall (and is authorized to) debit funds from the Participation Account in an amount equal to Seller's Funding Amount for such Participated Mortgage Loan and deliver on behalf of Seller by wire transfer such funds directly to the account of the Funding Recipient designated in the related Request (provided, however, if such Funding Recipient is an Escrow Agent, then such account shall be an escrow account) or deliver such funds on behalf of Seller to such Funding Recipient in any other manner acceptable to Bank. Bank shall not make an Advance for the purchase of a Participation Interest in any Mortgage Loan unless Seller has good funds on deposit in the Participation Account in an amount not less than Seller's Funding Amount for such Mortgage Loan;

(b) As payment by Bank to Seller for the purchase of a Participation Interest in such Participated Mortgage Loan, Bank shall make an Advance in an amount equal to the related Purchase Price. Seller hereby irrevocably and unconditionally instructs Bank, with respect to any such Advance, to deliver by wire transfer the proceeds of such Advance on behalf of Seller directly to the account of the Funding Recipient designated in the related Request or to deliver such proceeds on behalf of Seller to such Funding Recipient in any other manner acceptable to Bank; and

(c) Upon the making of an Advance by Bank to or on behalf of Seller for the purchase of a Participation Interest in such Participated Mortgage Loan as described above in this Section: (i) Bank shall immediately have purchased such Participation Interest from Seller, and shall immediately have become fully vested with, an undivided percentage ownership interest in all of Seller's rights, titles and interests in and to such Participated Mortgage Loan and the related Mortgage Loan Documents, which undivided percentage ownership interest shall equal the Participation Percentage for such Participated Mortgage Loan; and (ii) Seller shall immediately make proper entries on its books and records disclosing the absolute sale by Seller to Bank of such Participation Interest in such Participated Mortgage Loan and the related Mortgage Loan Documents. The purchase and sale of a Participation Interest in any Participated Mortgage Loan hereunder shall be conclusively established by the making of an Advance by Bank for the Purchase Price for such Participation Interest as and in the manner provided in this Section and shall be evidenced by the Blanket Assignment.

2.5 **Failure to Complete Mortgage Loan Transaction** Each Advance made by Bank to purchase a Participation Interest from Seller in a Mortgage Loan is intended by Bank and Seller to be made in connection with a Mortgage Loan Transaction, which Mortgage Loan Transaction is to occur on or about the date on which the related Request for such Advance is submitted by Seller to Bank for Bank

to purchase a Participation Interest in such Mortgage Loan or on such date otherwise specified in such Request. With respect to any Mortgage Loan for which Seller has submitted a Request to Bank for Bank to purchase a Participation Interest therein, if the Mortgage Loan Transaction related thereto is not expected by Seller to occur or fails to occur within two (2) days of such Request then Seller shall immediately provide notice thereof to Bank. Should the Mortgage Loan Transaction related to any Mortgage Loan not be expected by Seller to occur or fail to occur within two (2) days of the Request to Bank for Bank to purchase a Participation Interest therein and Bank shall have delivered on behalf of Seller to the related Funding Recipient the proceeds of the Advance for the purchase by Bank of such Participation Interest, then: (a) the proceeds of such Advance shall immediately be returned directly to Bank and Bank may instruct such Funding Recipient to immediately return such proceeds directly to Bank; and (b) Seller shall (i) immediately instruct and cause such Funding Recipient to return the proceeds of such Advance directly to Bank and (ii) cooperate with Bank to effect the immediate return of the proceeds of such Advance directly to Bank and, at the request of Bank, take such actions and do such things deemed necessary or appropriate by Bank to effect the immediate return directly to Bank of the proceeds of such Advance.

2.6 **Funding Fee**. Seller shall pay to Bank a Funding Fee for each Participated Mortgage Loan as compensation for Bank's costs and expenses incurred in connection with underwriting and processing its purchase of the Participation Interest in such Participated Mortgage Loan and administering such Participation Interest hereunder. The Funding Fee with respect to any Participated Mortgage Loan shall be: (a) earned in full by Bank on the related Purchase Date; and (b) payable to Bank by Seller upon the earlier to occur of the date on which: (i) all or any portion of the related Participation Interest is to be repurchased by Seller from Bank as contemplated by and in accordance with the terms of this Agreement; (ii) such Participated Mortgage Loan is sold to a Take-Out Purchaser as contemplated by and in accordance with the terms of this Agreement; or (iii) the entire principal balance of such Participated Mortgage Loan has been paid in full by the related Borrower.

2.7 **Maximum Participation Amount**. Notwithstanding anything to the contrary contained herein, Bank shall not purchase and hold, at any one time, Participation Interests such that the Outstanding Participation Amount exceeds the Maximum Participation Amount; provided, however, that Bank may, in its sole and absolute discretion, elect to temporarily increase the Maximum Participation Amount upon written notice to Seller pursuant to Section 2.8. Nothing contained in this Section shall limit, impair or affect the provisions of Section 2.2.

2.8 **Overline Facility Increases**. Upon Seller's request from time to time, Bank may, in its sole and absolute discretion, elect to temporarily increase the amount of the Maximum Participation Amount (each, an "Overline Facility Increase") by providing written notice thereof to Seller (each, an "Overline Confirmation"). Each Overline Confirmation shall set forth the terms on which Bank agrees to temporarily increase the Maximum Participation Amount, including: (a) the amount to which the Maximum Participation Amount will be temporarily increased; (b) the date on which such temporary increase in the Maximum Participation Amount shall commence and terminate (the "Overline Period"); and (c) the amount to which the Minimum Pledged Balance shall be increased in connection with such Overline Facility Increase. As a condition precedent to the effectiveness of any Overline Facility Increase, Seller shall deposit into the Pledged Account good funds in such amount required in order to maintain therein the Minimum Pledged Balance set forth in the related Overline Confirmation. During any Overline Period, the Maximum Participation Amount and Minimum Pledged Balance shall equal the respective amounts set forth on the Overline Confirmation and, upon the expiration of the Overline Period, the Maximum Participation Amount and Minimum Pledged Balance shall automatically be reduced to the respective amounts in effect prior to the commencement of any Overline Period.

2.9 **Client-to-Client Funding**. If Seller submits a Request to Bank for Bank to purchase a Participation Interest in a Mortgage Loan from Seller hereunder to pay off a Mortgage Loan in which Bank already holds an ownership interest pursuant to a separate agreement with a different mortgage company (each, a "Client-to-Client Funding"), then Seller: (a) shall provide any and all documents and information Bank requests regarding or related to such Participation Interest representing the Client-to- Client Funding; and (b) acknowledges and agrees that, without limiting any other provision in this Article 2 relating to the purchase of such Participation Interest, any such Client-to-Client Funding shall be conditioned upon the timely satisfaction of all other conditions Bank may in its sole and absolute discretion determine to be necessary or appropriate, including the consent of the original mortgage company to the Client-to-Client Funding and Bank's agreement to the application of the funds advanced under the Client-to-Client Funding.

ARTICLE 3
DELIVERY OF BANK DOCUMENT DELIVERABLES

3.1 **Documents to be Delivered to the Document Custodian After an Advance**. Subject to Sections 3.2 and 3.3, within two (2) Business Days after the Purchase Date for any Participated Mortgage Loan, Seller shall deliver or cause to be delivered to the Document Custodian all of the Bank Document Deliverables for such Participated Mortgage Loan. Bank reserves the right to require copies of any of the Bank Document Deliverables for review prior to making any Advance for the purchase of a Participation Interest in any specific Mortgage Loan.

3.2 **Procedure for Delivery of Bank Document Deliverables**. Seller shall cause the Bank Document Deliverables for each Participated Mortgage Loan to be delivered directly to the Document Custodian (and, in the event that the applicable Funding Recipient for such Participated Mortgage Loan is or is required hereunder to be an Escrow Agent, such Bank Document Deliverables shall be delivered directly to the Document Custodian from escrow by the Escrow Agent for such Participated Mortgage Loan) within two (2) Business Days after the Purchase Date for such Participated Mortgage Loan, unless otherwise expressly provided by Bank in writing to Seller with respect to such Participated Mortgage Loan (it being understood that any such writing from Bank shall only apply to the specific Participated Mortgage Loan referenced therein).

3.3 **Bank Document Deliverables Held By Seller**. Without limiting the requirements set forth in Section 3.2, Seller acknowledges and agrees that any and all Bank Document Deliverables relating to any Participated Mortgage Loan which are at any time in the custody, possession or control of Seller after Bank's purchase of a Participation Interest in such Participated Mortgage Loan shall be held and delivered to the Document Custodian pursuant to the terms and conditions of Section 5.11. Nothing contained in this Article authorizes or permits the delivery to Seller or any other Person (other than the Document Custodian) of any of the Bank Document Deliverables which Seller is required hereunder to cause to be delivered directly to the Document Custodian.

ARTICLE 4
SALE OF LOANS TO TAKE-OUT PURCHASERS; AGED LOANS; REPURCHASE OBLIGATIONS

4.1 **Short Term Nature of Investment**.

(a) It is understood that each Participation Interest which Bank purchases in any Mortgage Loan shall be purchased by Bank for its own account for the short term investment of its capital and in reliance of Seller's agreement hereunder that: (i) Seller shall arrange and complete the sale by and on behalf the Parties of the related Participated Mortgage Loan as and

when required pursuant to the terms of this Agreement; or (ii) repurchase all or any portion of such Participation Interest as and when required pursuant to the terms of this Agreement, if such sale is not arranged and completed by Seller as and when required pursuant to the terms of this Agreement. In order to secure the prompt and complete performance by Seller of its Repurchase/Sale Obligations, Seller does hereby pledge, assign and grant to Bank a continuing security interest in and to the Collateral. For this purpose, this Agreement shall constitute a security agreement in accordance with the UCC, and Bank shall have all the rights of a secured creditor with respect to such security.

(b) For each Participated Mortgage Loan, it is the intention of Bank and Seller that such Participated Mortgage Loan and the related Mortgage Loan Documents will be sold and delivered to a Take-Out Purchaser, and for such Take-Out Purchaser to have paid the full amount of the Take-Out Purchase Price for such Participated Mortgage Loan, within thirty (30) days of the Purchase Date for such Participated Mortgage Loan. Notwithstanding the foregoing, it is understood and agreed that Bank shall not have and does not undertake any duty, obligation or liability arising from or related to any Take-Out Purchase Agreement or any Take-Out Purchaser.

4.2 **Sale of Participated Mortgage Loans to Take-Out Purchasers**.

(a) The sale of each Participated Mortgage Loan by Seller and Bank to any Take-Out Purchaser shall be in accordance with the terms of the related Take-Out Purchase Agreement. If a Take-Out Purchaser fails to perform or anticipatorily breaches its obligations under a Take-Out Purchase Agreement to purchase any Participated Mortgage Loan, then Seller shall promptly locate and consummate the sale by Bank and Seller of such Participated Mortgage Loan to another Take-Out Purchaser acceptable to Bank at a price which is not less than the Take-Out Purchase Price for such Participated Mortgage Loan; provided, however, that the foregoing shall not limit or qualify any other rights or remedies available to Bank hereunder with respect to such Participated Mortgage Loan or any Participation Interest therein.

(b) Notwithstanding anything to the contrary in any Take-Out Purchase Agreement, the procedures of sale to a Take-Out Purchaser by Seller and Bank of any Participated Mortgage Loan shall be as follows:

(i) Seller shall deliver to the Take-Out Purchaser the Mortgage Loan Documents for such Participated Mortgage Loan (other than the related Mortgage Note and other Mortgage Loan Documents, if any, which are then being held by the Document Custodian). Such Mortgage Loan Documents shall be delivered by Seller to the Take- Out Purchaser under the provisions of the Take-Out Purchase Agreement which govern the Take-Out Purchaser's custody and possession of such Mortgage Loan Documents or under such other written custodial or similar agreement between Seller and the Take-Out Purchaser acceptable to Bank. Seller shall provide prompt written notice to Bank of the transmittal and delivery of such Mortgage Loan Documents to the Take-Out Purchaser.

(ii) Bank shall deliver or cause to be delivered to the Take-Out Purchaser, under a Bailee Letter, the Mortgage Loan Documents for such Participated Mortgage Loan which are then held by the Document Custodian pursuant to this Agreement, including the original Mortgage Note for such Participated Mortgage Loan accompanied by: (A) the Required Endorsements; and (B) if such Mortgage Note was not endorsed in blank by Seller, an allonge endorsed in favor of such Take-Out Purchaser by Bank, as agent for Seller, pursuant to (and if and to the extent that Bank shall have received and accepted) a valid power of attorney, in form and content satisfactory to Bank, authorizing Bank to endorse such Mortgage Note for and on behalf of Seller.

(c) Within a period of time acceptable to Bank, but in no event more than twenty (20) days after the delivery by the Document Custodian to the Take-Out Purchaser of the Mortgage Note evidencing such Participated Mortgage Loan, Seller shall cause the Take-Out Purchaser to pay or cause to be paid directly to Bank, as payment to Seller and Bank for the purchase by the Take-Out Purchaser of such Participated Mortgage Loan, immediately available funds in an amount not less than the Take-Out Purchase Price for such Participated Mortgage Loan.

(d) All of the proceeds from the sale by Seller and Bank of a Participated Mortgage Loan to a Take-Out Purchaser shall be paid directly to Bank pursuant to Section 4.3 and shall be applied by Bank on behalf of Bank and Seller in accordance with Section 4.4.

(e) Subject to Section 4.4(b), Bank and Seller's ownership interests in any Participated Mortgage Loan to be sold to a Take-Out Purchaser shall continue in full force and effect, and Bank and Seller shall not have (and shall not be deemed to have) sold such Participated Mortgage Loan to a Take-Out Purchaser unless and until such time as Bank shall have received immediately available funds from the Take-Out Purchaser for such sale in an amount not less than the Take-Out Purchase Price for such Participated Mortgage Loan and applied such funds in accordance with Section 5.12.

4.3 **Payments From Take-Out Purchasers**. In connection with each sale of a Participated Mortgage Loan by Seller and Bank to a Take-Out Purchaser, Seller shall cause the Take-Out Purchase Price to be paid by the Take-Out Purchaser for the purchase of the Participated Mortgage Loan to be paid by the Take-Out Purchaser, in immediately available funds, directly to Bank into the Repayment Account.

4.4 **Processing Payments From Take-Out Purchasers**. With respect to any immediately available funds on deposit in the Repayment Account which constitute the proceeds of any Take-Out Purchase Price (each a "Take-Out Purchaser Payment"):

(a) Seller shall promptly confirm to Bank the Participated Mortgage Loan to which such Take-Out Purchaser Payment applies; provided, however, that if Seller shall not have provided such confirmation to Bank by the last Business Day of the calendar month in which Bank provided notice to Seller of the Take-Out Purchaser Payment, then Bank may, in its sole discretion, determine and designate the Participated Mortgage Loan to which such Take-Out Purchaser Payment applies to the extent Bank is able to make such a determination based on information available to it;

(b) Bank reserves the right, in its sole discretion, to determine whether to accept or reject such Take-Out Purchaser Payment in the event that insufficient funds were delivered by the Take-Out Purchaser to Bank to fully pay the Take-Out Purchase Price for the Participated Mortgage Loan to which the Take-Out Purchaser Payment applies. Seller acknowledges and agrees that: (i) if Bank elects, in its sole discretion, to reject a Take-Out Purchaser Payment for which insufficient funds were delivered, then Bank's related Participation Interest shall not have been sold (and shall be deemed to not have been sold) to such Take-Out Purchaser, and Seller shall immediately notify such Take-Out Purchaser that no sale of such Participated Mortgage Loan by Bank and Seller to such Take-Out Purchaser has occurred; and (ii) if Bank elects, in its sole discretion, not to reject a Take-Out Purchaser Payment for which insufficient funds were delivered, then Bank shall have the right to offset any amounts in any Account in order to effect full payment of Bank's share of such Take-Out Purchase Price; and

(c) If such Take-Out Purchaser Payment is accepted by Bank, the proceeds of the Take-Out Purchaser Payment shall be applied by Bank pursuant to Section 5.12.

All notices to be given and actions to be taken pursuant to this Section shall be effectuated electronically or in such other manner, as required by Bank from time to time pursuant to the Warehouse Program Guide.

4.5 **Reserved**.

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4.6 **Participation Interest Rate for Aged Participated Mortgage Loans**.

(a) With respect to any Aged Participated Mortgage Loan, to the extent permitted by applicable Law, Bank may from time to time, in its sole discretion, increase the then-current Participation Interest Rate with respect to such Aged Participated Mortgage Loan by an amount, as determined by Bank, in accordance with the following:

Number of days elapsed since the Purchase Date for the Participation Interest in the Aged Mortgage Loan	Maximum *aggregate total* amount by which Bank may increase the applicable Participation Interest Rate pursuant to this Section	Date on which the increase (if any) in the Participation Interest Rate is effective
30 days or more but less than 45 days	up to 1.0%	30th day following the Purchase Date of the Participation Interest
45 days or more but less than 60 days	up to 1.5% (inclusive of all prior increases to the applicable Participation Interest Rate made by Bank pursuant to this Section)	45th day following the Purchase Date of the Participation Interest
60 days or more	up to 2.5% (inclusive of all prior increases to the applicable Participation Interest Rate made by Bank pursuant to this Section)	60th day following the Purchase Date of the Participation Interest

(b) Notwithstanding anything herein to the contrary, the Participation Interest Rate for any Participated Mortgage Loan shall not at any time exceed the maximum rate permitted under applicable Law.

(c) The provisions of this Section shall not limit or qualify any rights or remedies of Bank hereunder (including, without limitation, any rights or remedies of Bank Sections 4.5, 4.7 or 4.8).

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4.7 **Curtailment of Aged Participated Mortgage Loans**.

(a) With respect to any Aged Participated Mortgage Loan, to the extent permitted by applicable Law, Bank may from time to time, in its sole and absolute discretion, require Seller to repurchase from Bank any portion of the Participation Interest then owned by Bank in such Aged Participated Mortgage Loan, as determined by Bank, in accordance with the following table:

Number of days elapsed since the Purchase Date for the Participation Interest in the Aged Mortgage Loan	Maximum *aggregate total* portion of the Participation Percentage (as of the Purchase Date for the related Participation Interest) in the applicable Aged Mortgage Loan which Bank may require to be repurchased by Seller pursuant to this Section
60 days or more but less than 75 days	up to 10.0%

(b) To effect the repurchase by Seller from Bank of any portion of a Participation Interest required by Bank to be repurchased under this Section, Seller shall pay to Bank an amount equal to the applicable Repurchase Price for such portion of such Participation Interest, which amount shall be due and payable upon any demand therefor made by Bank pursuant to the terms of this Section. Bank shall have the right to offset any amounts in the Pledged Account in order to effect full payment of any Repurchase Price when due and payable under this Section, and upon any such offset, Seller shall immediately deposit funds into the Pledged Account in the amount required to fully restore the Minimum Pledged Balance.

(c) Upon Bank's receipt from Seller of the full amount of the Repurchase Price for the portion of the Participation Interest in any Aged Participated Mortgage Loan required to be repurchased by Seller from Bank pursuant to this Section, effective as of the date of receipt of such funds and the application by Bank of such funds pursuant to the terms of this Agreement, Seller shall have repurchased from Bank such portion of such Participation Interest equal to the Repurchase Participation Percentage for such Participation Interest, and Bank's respective Participation Percentage in such Aged Participated Mortgage Loan and Seller's respective Retained Percentage in such Aged Participated Mortgage Loan shall be correspondingly adjusted, all as indicated on the Bank's books and records.

(d) The provisions of this Section shall not limit or qualify any rights or remedies of Bank hereunder (including, without limitation, any rights or remedies of Bank under Sections 4.5, 4.6 or 4.8).

4.8 **Full Repurchase of Participation Interests**.

(a) With respect to any specific Participated Mortgage Loan, Bank shall have the right to require Seller, upon demand by Bank, to repurchase from Bank, in its entirety, all of Bank's then-outstanding Participation Interest in such Participated Mortgage Loan, if Bank reasonably determines at any time, that: (i) any representation or warranty made or deemed made by Seller to Bank under Sections 2.1 or 6.10 as to such Participated Mortgage Loan was false, misleading, or erroneous in any respect at the time on or as of the Purchase Date for such Participated Mortgage Loan; (ii) such Participated Mortgage Loan was not an Eligible Mortgage Loan on or as of the Purchase Date for such Participated Mortgage Loan or no longer qualifies as an Eligible Mortgage Loan anytime thereafter; (iii) any Mortgage Loan Document related to such Participated Mortgage Loan was erroneous, unsigned or incomplete in any material respect on the

Purchase Date for such Participated Mortgage Loan and such error, lack of signature or incompleteness has not been corrected to the reasonable satisfaction of Bank within a commercially reasonable time period following such Purchase Date; (iv) any fraud occurred on the part of Seller or its agents or employees or of Borrower or any other Person with respect to the origination, underwriting, closing or funding of such Mortgage Loan; or (v) any of the Bank Document Deliverables for such Participated Mortgage Loan have not been delivered to the Document Custodian as and when required pursuant to the provisions of this Agreement. In addition, if an Event of Default shall have occurred, Bank shall have the right to require Seller, upon demand by Bank, to repurchase from Bank, in their entirety, all of Bank's then-outstanding Participation Interests in the Participated Mortgage Loans identified in such demand.

(b) In Bank's sole and absolute discretion, Seller shall automatically be required to immediately repurchase from Bank, in its entirety, all of Bank's then-outstanding Participation Interest in any Aged Participated Mortgage Loan on the seventy-fifth (75th) day after the Purchase Date for such Participation Interest if such Aged Participated Mortgage Loan does not constitute a Retired Participated Mortgage Loan by such seventy-fifth (75th) day. In addition, Seller shall automatically be required, whether or not Bank has made demand therefor, to immediately repurchase from Bank, in their entirety, all of Bank's then-outstanding Participation Interests in any and all Participated Mortgage Loan upon the occurrence of an Event of Default under Sections 9.1(e) or (f) with respect to Seller.

(c) To effect the repurchase of any Participation Interest required under this Section, Seller shall pay to Bank an amount equal to applicable Repurchase Price for such Participation Interest, which amount shall be due and payable: (i) on the date Bank has made demand for the repurchase of such Participation Interest, if such repurchase is required pursuant to Section 4.8(a); or (ii) on the seventy-fifth (75th) day after the Purchase Date for such Participation Interest, if such repurchase is required pursuant to Section 4.8(b). Bank shall have the right to offset any amounts in the Pledged Account in order to effect full payment of any Repurchase Price when due and payable under this Section, and upon any such offset, Seller shall immediately deposit funds into the Pledged Account in the amount required to fully restore the Minimum Pledged Balance.

(d) Upon Bank's receipt from Seller of the full amount of the Repurchase Price for the Participation Interest in any Participated Mortgage Loan to be repurchased in its entirety by Seller from Bank pursuant to this Section, and so long as such payment is not disgorged or revoked by a court of competent jurisdiction: (i) effective as of the date of receipt of such funds and the application by Bank of such funds pursuant to the terms of this Agreement, Seller shall have repurchased from Bank such Participation Interest in its entirety, and Bank's respective Participation Percentage in such Participated Mortgage Loan and Seller's respective Retained Percentage in such Participated Mortgage Loan shall be correspondingly adjusted, all as indicated on the Bank's books and records; and (ii) Bank shall thereafter deliver or cause to be delivered to Seller the Mortgage Note and any other Mortgage Loan Documents for such Participated Mortgage Loan then in the Document Custodian's possession.

(e) The provisions of this Section shall not limit or qualify any rights or remedies of Bank hereunder (including, without limitation, any rights or remedies of Bank under Sections 4.5, 4.6 or 4.7).

4.9 **Bank's Direct Contact with Take-Out Purchasers**. Seller irrevocably authorizes Bank and its agents and representatives to directly deliver all pertinent documentation to, and communicate with, disclose to, receive from and share information with, any Take-Out Purchaser, which is related to any Participated Mortgage Loan which is to be purchased or has been purchased by such Take-Out Purchaser.

ARTICLE 5
GENERAL PROVISIONS

5.1 **Conditions to Effectiveness of Agreement**. As a condition precedent to effectiveness of this Agreement, in addition to all other requirements set forth herein, Seller shall deliver to Bank all of the following, each being duly executed, endorsed, notarized where applicable and delivered and in form and content satisfactory to Bank in its sole and absolute discretion:

(a) This Agreement, the Blanket Assignment, the Pledge Agreement and each Guaranty Agreement;

(b) One (1) or more limited power of attorney in the form ofExhibit A executed by Seller;

(c) All financing statements required by Bank, including a UCC-1 financing statement identifying Seller, as debtor, and Bank, as secured party, which covers the Collateral, and Seller hereby authorizes Bank and its representatives to execute, deliver and file of record all such financing statements;

(d) Such signature cards, depository account agreements, USA PATRIOT Act forms and information, and such other documents and instruments, as Bank may require for Seller to establish at Bank, the Pledged Account, the Participation Account and the Remittance Account or to otherwise implement the arrangements contemplated herein;

(e) Evidence that all necessary action on the part of Seller and each other Obligated Party has been taken with respect to the execution and delivery of the Warehouse Documents and the performance of the matters contemplated thereby, so that this Agreement and all of the other Warehouse Documents shall be valid and binding upon each Person executing and delivering the same. Such evidence shall include certified organizational documents, certified resolutions, and certificates of incumbency for Seller and each other Obligated Party that is not a natural person;

(f) For Seller and each Obligated Party that is not a natural person, a copy, certified as true, complete and correct, by an authorized officer, partner, member, manager or other representative of such entity, of the documents evidencing the formation and governance of the operations and affairs of such entity, together with all amendments thereto;

(g) For Seller and each Obligated Party that is not a natural person, a certificate of existence and good standing showing that such entity is in good standing under the Laws of the state of its formation and certificates indicating that such entity has qualified to transact business and is in good standing in all other states where it transacts business;

(h) Evidence that Seller has received any and all licenses, permits, approvals and other consents under any and all applicable Laws to permit Seller to lawfully engage in the Mortgage Loan Activities, and evidence that the same are currently in existence and good standing; and

(i) Such other documents, information and materials as Bank may require to be delivered or caused to be delivered by Seller to Bank prior to the execution of this Agreement by Bank.

5.2 **Termination; Burn-Down**.

(a) Seller's rights hereunder to submit any Request to Bank shall automatically terminate on the Advance Request Termination Date.

(b) Notwithstanding anything herein to the contrary, and without limiting Bank's rights and remedies under Section 9.2, prior to the Advance Request Termination Date, either Party may immediately terminate for any reason whatsoever Seller's rights hereunder to submit any Request to Bank to purchase a Participation Interest by providing written notice thereof to the other Party. It is understood that the Parties intend the continuation of this Agreement by Bank (and, accordingly, the continuation of Seller's rights hereunder to submit any Request to Bank for Bank to purchase a Participation Interest) will be based upon the quality of the Mortgage Loans owned by Seller and Seller's performance of its obligations in connection therewith and herewith and also based upon market conditions and the business objectives of Bank and Seller which may change from time to time.

(c) Any and all outstanding Participation Interests in Participated Mortgage Loans owned by Bank on or before the Advance Request Termination Date shall continue to be subject to the terms and conditions of this Agreement. Unless extended by a written agreement executed by Seller and Bank, this Agreement shall automatically terminate and cease to be in force and effect (except with respect to the provisions of this Agreement which expressly survive termination) without any action or notice upon such time as: (i) Seller shall no longer have any rights hereunder to submit any Request to Bank to purchase a Participation Interest; (ii) each Participated Mortgage Loan constitutes a Retired Participated Mortgage Loan; (iii) Bank has received full, final and indefeasible payment of all other amounts due and payable by Seller to Bank pursuant to the terms hereof and any other Warehouse Document; (iv) Seller has fully performed and discharged each of its duties, covenants and obligations under each Warehouse Document; and (v) Bank has remitted to Seller all amounts, if any, required hereunder to be remitted by Bank to Seller hereunder.

5.3 **Target Usage; Termination for Non-Usage**. While pursuant to Section 2.2, Bank is not obligated to purchase, and Seller is not obligated to sell, any Participation Interests, or any minimum amount of Participation Interests, Bank and Seller contemplate that Seller shall sell, and Bank shall purchase, Participation Interests such that, Bank's total Participation Interest for a calendar month shall equal or exceed the Target Usage Amount. Should for any calendar quarter, the total Participation Interest, on average for such calendar quarter, not equal or exceed the Target Usage Percentage, Bank may elect to increase the Participation Interest Rate Floor or, pursuant to Section 5.2(b), terminate Seller's right hereunder to submit any Request to Bank to purchase a Participation Interest.

5.4 **Seller's Accounts**.

(a) Seller shall at all times during the term of this Agreement maintain each Restricted Account with Bank. With respect to each Restricted Account, Seller may deposit funds into the Restricted Account, however Seller shall not be permitted to withdraw, transfer or otherwise exercise any rights to access any funds held therein and Seller shall have no rights to exercise dominion or control over the Restricted Account.

(b) Seller shall at all times during the term of this Agreement maintain the Remittance Account with Bank. Subject to the terms and conditions of this Agreement and the other Warehouse Documents, Seller shall be permitted to withdraw, transfer and otherwise exercise rights to access any funds held therein; provided, that notwithstanding the foregoing, upon the occurrence of an Event of Default, Seller shall not be permitted to withdraw, transfer or otherwise exercise any rights to access any funds held therein and Seller shall have no rights to exercise dominion or control over the Remittance Account.

(c) Concurrently with the execution hereof Seller shall deposit into the Pledged Account, and thereafter for the duration of this Agreement Seller shall maintain in the Pledged Account, good funds in an amount not less than the Minimum Pledged Balance. Seller shall replenish funds in the Pledged Account, such that the Pledged Account is fully restored to the Minimum Pledged Balance, in the event Bank shall offset or apply funds from the Pledged Account in accordance with the terms of this Agreement.

(d) In order to secure the prompt and complete performance by Seller of its Repurchase/Sale Obligations, Seller does hereby pledge, assign and grant to Bank a continuing security interest in and to the Restricted Accounts, the Remittance Account and the other Collateral. For this purpose, this Agreement shall constitute a security agreement in accordance with the UCC, and Bank shall have all the rights of a secured creditor with respect to such security, and Bank shall have the right to hold and "freeze" such Accounts and the funds maintained therein upon the occurrence of an Event of Default. Without limiting any rights and remedies available to Bank hereunder, Bank may exercise the right to offset and apply all or any portion of the funds of Seller held in one or more of the Accounts towards the payment of all or any portion of any amount due and payable by Seller to Bank hereunder in connection with Seller's Repurchase/Sale Obligations. Bank is hereby authorized to debit funds from the Accounts in accordance with the provisions of this Agreement without any notice to or permission from Seller.

5.5 **Subordination**. It is expressly understood and agreed that all of Seller's rights, title and interests in and to any Participated Mortgage Loan (including Seller's servicing rights, if any) are subordinate and inferior to Bank's Participation Interest in such Participated Mortgage Loan, from and after the Purchase Date for such Participated Mortgage Loan.

5.6 **Power of Attorney**. Seller hereby irrevocably appoints Bank and each officer of Bank as its attorney-in-fact, with full power of substitution, for, on behalf of, and in the name of Seller, to: (a) endorse and deliver to any Person any notes, checks, drafts, money orders or other instruments of payment coming into Bank's possession and representing any payment made on or with respect to any Participated Mortgage Loan or otherwise received in connection with any Participated Mortgage Loan (including the proceeds from the sale of any such Participated Mortgage Loan received from a Take-Out Purchaser), and any collateral and any Take-Out Purchase Agreement therefor; (b) prepare, complete, execute, deliver and record, and do anything else necessary or desirable to effect, (i) any endorsement to Bank, any Take-Out Purchaser or any other Person, of any Mortgage Note evidencing a Participated Mortgage Loan, or (ii) any transfer, assignment or conveyance to Bank, any Take-Out Purchaser or any other Person, of any or all rights, titles and interest in and to any Mortgage Note and the Mortgage Loan Documents related thereto in which Bank has purchased a Participation Interest (including servicing rights); (c) do anything necessary or desirable to effect sale, transfer, assignment or conveyance, of any or all rights, titles and interest of Seller and/or Bank in and to any Participated Mortgage Loan and the related Mortgage Loan Documents related thereto to any Take-Out Purchaser or any other Person; and (d) commence, prosecute, settle, discontinue, defend, or otherwise dispose of any claim relating to any Take- Out Purchase Agreement or any Participated Mortgage Loan. The powers and authorities herein conferred

on Bank may be exercised by Bank through any Person who, at the time of the execution of a particular instrument, is an officer of Bank. The limited power of attorney conferred by this Section is granted for a valuable consideration and is coupled with an interest and, therefore, is irrevocable so long as any duties or obligations to Bank under this Agreement or any other Warehouse Document, or any part thereof, shall remain unpaid or otherwise unsatisfied, and so long as Bank may elect to purchase any Participation Interests hereunder. The limited power of attorney conferred hereunder shall not be affected by any subsequent disability or incapacity of the principal or by the lapse of time. To facilitate processing, Bank may request that Seller execute and deliver a separate, limited power of attorney in such form and content required by Bank, but any failure of Bank to request or obtain any such separate power of attorney instrument shall not mitigate or undermine the rights and powers conferred under this Section.

5.7 **Private Recording Systems**. Bank reserves the right to require or permit that any or all Participated Mortgage Loans be registered and processed on the MERS® System and/or any other similar mortgage registration or processing system (collectively, "Private Recording System"). Should Bank require or permit the registration or processing of any or all Participated Mortgage Loans on any Private Recording System: (a) each such Participated Mortgage Loan shall be registered and processed on the Private Recording System approved by Bank in accordance with the requirements of the Warehouse Program Guide; and (b) Bank may terminate and revoke any such requirement or permission regarding the registration and processing of any such Participated Mortgage Loans on any Private Recording System.

5.8 **Regulatory Compliance**. With respect to each Participated Mortgage Loan, Seller hereby represents, warrants and certifies to Bank that such Participated Mortgage Loan and each related Mortgage Loan Document was originated, made, negotiated, executed and delivered pursuant to and in accordance with the applicable terms and provisions of the Federal Truth in Lending Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, Dodd-Frank Act, the Interagency Appraisal Guidelines, and all other applicable Laws relating to the financing of Residential Real Property, each of which Laws have been fully satisfied and strictly complied with by Seller and such other applicable parties, and that Bank shall have no obligation with respect to the compliance with any such Laws, or the filing of any reports, certifications or other documents or items with or to any Borrower, any Governmental Authority, or any other Person whatsoever. **IN THIS RESPECT, SELLER WILL RELEASE, HOLD HARMLESS AND INDEMNIFY EACH INDEMNIFIED PARTY FROM AND AGAINST ANY AND ALL LOSSES WHICH ARE INCURRED BY OR ASSERTED AGAINST BANK IN CONNECTION WITH ANY BREACH OR INACCURACY OF THE TERMS CONTAINED IN THIS SECTION.**

5.9 **Verifications**. Bank shall have the right and authority to re-verify all information obtained by Seller regarding any Borrower, including verification of employment, verification of deposit and all information included in each related Loan Application. Seller shall cooperate with Bank in such re-verification process. Further, Bank shall have full right and authority to obtain an updated credit report on any Borrower. In such verification process, Seller shall, upon the request of Bank, supply a copy of Borrower's handwritten, typed or signed Loan Application.

5.10 **Servicing Responsibilities**.

(a) Seller shall administer, manage, collect and enforce each Participated Mortgage Loan for and on behalf of and for the benefit of Bank and Seller in accordance with Accepted Servicing Practices (collectively, the "Mortgage Loan Services"). With respect to each Participated Mortgage Loan, Seller shall promptly take any and all actions, and exercise any and all available remedies, under the related Mortgage Loan Documents or otherwise which are necessary or advisable to perform the Mortgage Loan Services pursuant to this Agreement.

(b) At the request of Bank: (i) Seller shall promptly provide to Bank such information requested by Bank regarding any default, breach, violation or event of acceleration related to any Participated Mortgage Loan, and the actions which Seller has taken or proposes to take in connection therewith; and (ii) Seller shall promptly take any and all actions, and exercise any and all remedies, under the Mortgage Loan Documents or otherwise for any Participated Mortgage Loan which Bank shall deem, in its discretion, reasonably necessary or advisable to effect the provisions of this Section.

(c) With respect to any Participated Mortgage Loan, any and all Mortgage Loan Collections received by Seller from the exercise of any rights or remedies under the related Mortgage Loan Documents or in connection with the full repayment of the outstanding principal balance and all accrued and unpaid interest for such Participated Mortgage Loan shall (i) be immediately transferred or delivered by Seller to Bank (and, if required by Bank, into the Repayment Account) and (ii) upon receipt by Bank, be applied pursuant to the provisions of this Agreement.

(d) Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default: (i) Seller shall not exercise any remedies under any of the Mortgage Loan Documents for any Participated Mortgage Loan without the prior written consent of Bank; and (ii) Bank may at any time: (A) provide written notice to Seller terminating any or all rights, duties and obligations of Seller to provide Mortgage Loan Services with respect to any Participated Mortgage Loan (each, a "Servicing Termination Notice"); and/or (B) subject to the requirements of RESPA and Regulation X, 12 CFR 1024, require that Seller instruct in writing any Borrower or other Person obligated on any Participated Mortgage Loan to deliver any and all payments to be made by such Borrower or such other Person on or in respect of such Participated Mortgage Loan directly to Bank or to the Repayment Account, and Seller shall not make any changes to any such instructions so provided without first obtaining the prior written consent of Bank. With respect to each Participated Mortgage Loan specified in any Servicing Termination Notice, Seller shall at its expense: (i) immediately turn over to Bank or its designee all books, records and other documents related to the Mortgage Loan Services for such Participated Mortgage Loan; (ii) cooperate with Bank in the immediate and orderly transfer of the administration and servicing responsibilities for such Participated Mortgage Loan to Bank or its designee; and (iii) upon Bank's request, immediately execute and deliver to Bank all documents, agreements and instruments, and take such other actions and do such other things, deemed necessary or advisable by Bank in connection with the transfer to Bank of the administration and servicing responsibilities for such Participated Mortgage Loan.

5.11 **Trust Provisions**.

(a) Any and all amounts required hereunder to be paid to Bank shall be paid to Bank pursuant to the terms and conditions of this Agreement. Without limiting the foregoing, any and all Bank Payment Deliverables received by Seller at any time (and any and all Bank Payment Deliverables that are or are deemed to be in or under the custody, possession or control of Seller at any time) shall be held in trust by Seller as the property and for the benefit of Bank. In such event, Seller shall, and Seller has a fiduciary duty to Bank, (i) to hold in trust, as the property and for the benefit of Bank, the Bank Payment Deliverables and (ii) (A) to immediately turn over and deliver to Bank each Bank Payment Deliverable, in kind, and in the exact form received, no later than one (1) Business Day after receipt thereof, and concurrently, endorse to Bank any instrument or other form of payment payable to Seller, but which is to be paid to Bank under this Agreement, (B) not to release any Bank Payment Deliverable to any other Person without Bank's prior written consent, and (C) not to negotiate or otherwise seek to convert to cash any Bank Payment

Deliverables which are in the form of a check or other form of payment without Bank's prior written consent. Nothing contained in this Section authorizes or permits payment to Seller or any other Person (other than Bank) of any amounts which are required under this Agreement to be paid directly to Bank.

(b) Any and all Bank Document Deliverables required hereunder to be delivered to the Document Custodian shall be delivered to the Document Custodian pursuant to the terms and conditions of this Agreement. Without limiting the foregoing, any and all Bank Document Deliverables received by Seller at any time (and any and all Bank Document Deliverables that are or are deemed to be in or under the custody, possession or control of Seller at any time) shall be held in trust by Seller as the property and for the benefit of Bank. In such event, Seller shall, and Seller has a fiduciary duty to Bank, (i) to hold in trust for Bank, and as the property and for the benefit of Bank, the Bank Document Deliverables and (ii) (A) to immediately turn over and deliver to the Document Custodian each Bank Document Deliverable no later than one (1) Business Day after receipt thereof (except that Seller may deliver the applicable Bank Document Deliverables to the Document Custodian by such later time, if any, permitted by the express terms of this Agreement) and (B) not to release any Bank Document Deliverable to any Person (other than the Document Custodian). Nothing contained in this Section authorizes or permits the delivery to Seller or any other Person (other than the Document Custodian) of any Bank Document Deliverables which are required under this Agreement to be delivered directly to the Document Custodian.

(c) The Mortgage Loan Files for Participated Mortgage Loans (other than any portions thereof which constitute Bank Document Deliverables or which have been delivered to Bank) shall be held in trust by Seller as the property and for the benefit of Bank. Seller shall, and Seller has a fiduciary duty to Bank, (i) to hold in trust for Bank, and as the property and for the benefit of Bank, such Mortgage Loan Files and (ii) (A) to turn over and deliver to Bank such Mortgage Loan Files no later than one (1) Business Day after Bank's request and (B) not to release such Mortgage Loan Files to any Person (other than Bank) except as otherwise expressly permitted hereunder.

5.12 **Application of Payments**.

(a) Except as expressly provided otherwise herein, any and all Mortgage Loan Collections received by Bank with respect to any Participated Mortgage Loan (each, a "Payment"), including all proceeds from the sale of such Participated Mortgage Loan by Seller and Bank to a Take-Out Purchaser, shall be credited and applied in the following order of priority upon Bank's actual receipt of such sums, and Seller hereby instructs Bank to so apply such proceeds:

(i) To the payment of any then-earned and outstanding Funding Fees and Administrative Fees payable by Seller to Bank hereunder in connection with such Participated Mortgage Loan;

(ii) To the payment of any other outstanding fees, costs and expenses assessed or incurred by Bank and payable by Seller to Bank under this Agreement or any other Warehouse Document with respect to such Mortgage Loan;

(iii) To the reimbursement of all outstanding amounts (other than the Advance made by Bank to purchase a Participation Interest in such Participated Mortgage Loan), if any, disbursed by Bank in connection with such Participated Mortgage Loan;

(iv) To the payment of Bank's pro rata share (determined in accordance with the Participation Interest Rate in effect from time to time for such Participated Mortgage Loan) of all interest that accrued on such Participated Mortgage Loan from and after the related Purchase Date, but which has not been previously paid to Bank;

(v) To the repayment of Bank's pro rata share (determined in accordance with Bank's Participation Percentage in effect from time to time for such Participated Mortgage Loan) of the outstanding principal amount of such Participated Mortgage Loan (as of the related Purchase Date) which has not been previously paid to Bank;

(vi) Upon the occurrence of an Event of Default, if required by Bank, to the payment of any of the amounts set forth above with respect to any other Participated Mortgage Loan, to be applied in the same order of priority as set forth above;

(vii) To any other amounts payable by Seller to Bank;

(viii) To restoring (in whole or in part) the Minimum Pledged Balance of the Pledged Account if the balance thereof is less than the Minimum Pledged Balance. Any such funds shall be deposited directly by Bank into the Pledged Account;

(ix) To the payment of Seller's pro rata share (determined in accordance with the Seller's Retained Percentage in effect from time to time with respect to such Participated Mortgage Loan) of: (A) the outstanding principal amount of such Participated Mortgage Loan (as of the related Purchase Date) which has not been previously paid to or otherwise received by Seller; and (B) interest that has accrued on such Participated Mortgage Loan from and after the related Purchase Date (including any portion of such interest that accrued at a rate in excess of the Participation Interest Rate in effect from time to time for such Participated Mortgage Loan), but which has not been previously paid to or otherwise received by Seller. Any and all of the foregoing amounts due to Seller shall be paid by Bank to Seller on or before the next Business Day after receipt by Bank of the applicable Payment and shall be disbursed by Bank into the Remittance Account; and

(x) Thereafter, all remaining amounts to Seller, except as otherwise required to be in compliance with this Agreement.

(b) Notwithstanding anything to the contrary in Section 5.12(a), with respect to any Participated Mortgage Loan, Bank may elect, in its sole and absolute discretion, to defer applying any proceeds of any Payment to any of the items described in Section 5.12(a)(i), (ii) or (iii), in which case Bank reserves the right to satisfy any outstanding amount for such items with the proceeds of any future Payment with respect to such Participated Mortgage Loan.

(c) If the amount of any Take-Out Purchaser Payment received by Bank in connection with the sale of any Participated Mortgage Loan to a Take-Out Purchaser is insufficient to pay any and all amounts payable to Bank under Section 5.12(a) with respect to such Participated Mortgage Loan, then Bank shall be entitled to offset and apply available funds in the Pledged Account to satisfy the deficiency in such amounts payable to Bank. In such event, if after resorting the foregoing described sources of payment, any amounts remain payable to Bank under Section 5.12(a) with respect to such Participated Mortgage Loan, then Seller shall immediately pay such amounts to Bank upon demand.

(d) In the event that Bank offsets or applies any funds in the Pledged Account to satisfy amounts payable to Bank, then Seller shall immediately deposit funds into the Pledged Account in the amount required to fully restore the Minimum Pledged Balance. Bank shall have no duty or obligation at any time to apply any amounts due from any Take-Out Purchaser or from any other Person with respect to any purchase of any Participated Mortgage Loan until Bank has actually received such amounts in immediately available funds. Further, notwithstanding anything herein to the contrary, Bank shall be under no duty at any time to apply any amounts representing Take-Out Purchaser Payments except pursuant to the procedures set forth in Section 4.4.

5.13 **Warehouse Program Guide**.

(a) Seller agrees to comply at all times with all of the provisions of the Warehouse Program Guide in effect from time to time. Notwithstanding anything herein to the contrary, each Participated Mortgage Loan: (i) shall be subject to the provisions of the Warehouse Program Guide in effect as of the Purchase Date for such Participated Mortgage Loan; and (ii) shall not be subject to any material amendment, modification or supplement to the Warehouse Program Guide which occurs after the Purchase Date for such Participated Mortgage Loan. The Warehouse Program Guide is hereby incorporated into this Agreement by reference as if it was fully set forth herein.

(b) Bank shall make available to Seller the Warehouse Program Guide by: (i) posting the Warehouse Program Guide on a web portal or website (including the Electronic Platform) to which Seller will be granted access (if Bank shall elect to maintain a web portal or web site for such purpose and if Bank shall grant Seller access thereto); or (ii) by providing a written copy of the Warehouse Program Guide to Seller. Bank may, in its sole discretion, amend, modify or supplement the Warehouse Program Guide from time to time. If Bank shall have granted Seller access to a web portal or website on which the Warehouse Program Guide is posted, then: (i) any amendments, modifications or supplements to the Warehouse Program Guide shall become effective as to Seller upon such time as the same are posted on such web portal or website, without any further action or notice by Bank; and (ii) Seller shall be solely responsible for monitoring such web site or web portal for any amendments, modifications or supplements to the Warehouse Program Guide. If Bank shall have provided to Seller written copies of any amendments, modifications or supplements to the Warehouse Program Guide, then such amendments, modifications or supplements to the Warehouse Program Guide shall become effective as to Seller upon Seller's receipt thereof (unless Bank shall have also granted Seller access to a web portal or website to which such amendments, modifications or supplements are posted, in which case, such amendments, modifications or supplements shall become effective as to Seller upon the earlier of the posting thereof on such web portal or website or Seller's receipt of written copies thereof).

(c) Each submission of a Request by Seller to Bank shall constitute: (i) the ratification by Seller of the provisions of the Warehouse Program Guide in effect as of the Purchase Date (if any) for the Mortgage Loan that is the subject of the Request; and (ii) the agreement by Seller to be bound by all of the provisions of the Warehouse Program Guide (which is in effect as of such Purchase Date) applicable to the Mortgage Loan that is the subject of the Request.

5.14 **Financial Covenants**. At all times prior to the Agreement Termination Date (and thereafter if expressly required), Seller shall promptly and fully perform, observe and comply with the provisions set forth in Exhibit E.

5.15 **Supplemental Provisions**. At all times prior to the Agreement Termination Date (and thereafter if expressly required), Seller shall promptly and fully perform, observe and comply with the provisions set forth in Exhibit F.

5.16 **Other Warehousing Facilities**. Seller represents and warrants to Bank that any and all mortgage warehousing facilities of Seller (other than with Bank) in effect as of the date hereof are identified on Exhibit G. Seller covenants and agrees to: (a) notify Bank in writing prior to entering into any other mortgage warehousing facilities; and (b) promptly notify Bank in writing regarding any material change in any mortgage warehousing facility of Seller (including as to the maximum amount of any such facility and as to any termination, suspension or non-renewal of any such facility) or any default by Seller under any such mortgage warehousing facility.

5.17 **Affiliate Escrow Agents**. Seller represents and warrants to Bank that any and all title companies and other Persons that provide closing services in connection with residential mortgage loan transactions which are directly or indirectly owned or controlled by Seller or under common ownership or control with Seller (each an "Affiliate Escrow Agent") as of the date hereof are identified on Exhibit H. Seller represents and warrants that, prior to the Effective Date, Seller has delivered to Bank true, correct and complete copies of the financial statements for each Affiliate Escrow Agent. Seller covenants and agrees to promptly notify Bank in writing regarding any new Affiliate Escrow Agents arising after the Effective Date.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Bank as of the date hereof and thereafter:

6.1 **Organization and Good Standing**. Seller is duly organized, validly existing, and in good standing under the Laws of the state of its formation, and is duly qualified to transact business and is in good standing in each jurisdiction where the nature and extent of Seller's business and property requires the same.

6.2 **Authorization and Power**. Seller has: (a) the requisite power and authority to, and has taken all action necessary to authorize it to, execute, deliver and perform this Agreement, the other Warehouse Documents to which Seller is a party, and all of the other documents herein contemplated to be executed by Seller or otherwise to be executed by Seller from time to time in connection herewith; (b) all requisite authority, power, licenses, permits and franchises to conduct its business; and (c) received, has in its possession, and will maintain in full force and effect and in good standing, any and all federal, state and local licenses or approvals which may be necessary for Seller to undertake the actions required of it pursuant to this Agreement and to conduct its business. No consent or approval of any Person is required (other than such consents and approvals already obtained by Seller) in order for Seller to legally execute, deliver, and comply with the terms of the Warehouse Documents to which it is a party.

6.3 **No Conflicts**. Not the execution and delivery of this Agreement, the other Warehouse Documents to which Seller is a party, or any other documents to be executed in connection herewith, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or with the terms and provisions thereof, will contravene or materially conflict with any applicable Law, or any loan agreement, lease, promissory note, indenture, mortgage, deed of trust, or other agreement or instrument to which Seller is a party or by which Seller or any of its Property may be bound or be subject, or violate any provision of the documents creating or governing Seller.

6.4 **Enforceable Obligations**. This Agreement and each other Warehouse Document to which Seller is or will become a party are or upon execution will be the legal, valid and binding obligations of Seller, are enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency or other Laws of general application relating to the enforcement of creditors' rights.

6.5 **Financial Condition**. Seller has delivered to Bank copies of its most recent balance sheet, and the related statements of income, stockholders' equity and changes in financial position for the year ending on the date indicated therein, audited by independent certified public accountants; such financial statements are true and correct, fairly present the financial condition of Seller as of such date and have been prepared in accordance with GAAP as of the date hereof; there are no obligations, liabilities or indebtedness (including contingent and indirect liabilities and obligations or unusual forward or long term commitments) of Seller which are not reflected in such financial statements; and no change having a material adverse effect has occurred in the financial condition or business of Seller since the date of such financial statements.

6.6 **Material Agreements**. To the best of Seller's knowledge, Seller is not in default under any loan agreement, mortgage, security agreement or other material agreement or obligation to which it is a party or by which any of its Properties is bound, and the execution of this Agreement and the other Warehouse Documents to which Seller is a party, and Seller's performance of its duties and obligations hereunder and thereunder, will not cause a default under any loan agreement, mortgage, security agreement or other material agreement or obligation to which Seller is a party or by which any of its Properties is bound.

6.7 **Litigation**. Except as previously disclosed to Bank in writing, there are no: (a) actions, suits or legal, equitable, arbitration or administrative proceedings pending, or to the knowledge of Seller, threatened against Seller which, if determined adversely to Seller, may have a Material Adverse Effect; or (b) outstanding or unpaid judgments against Seller.

6.8 **Taxes**. All tax returns required to be filed by Seller in any jurisdiction have been filed. All taxes, assessments, fees and other governmental charges upon Seller or upon any of its Properties, income or franchises have been paid (if applicable, prior to the time that such taxes, assessments, fees or other governmental charges could give rise to a Lien), other than those being protested in good faith by appropriate proceedings, with respect to which no Lien exists and for which Seller has set aside adequate reserves.

6.9 **No Approvals Required**. Neither the execution and delivery of this Agreement and the other Warehouse Documents to which Seller is a party, nor the consummation of any of the transactions contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, or the registration, recording or filing of any document with, or the taking of any other action in respect of, any Governmental Authority or other Person.

6.10 **Representations Regarding Participated Mortgage Loans**. Each Participated Mortgage Loan is in all respects in compliance with the provisions of the Warehouse Program Guide. Without limiting the generality of the foregoing, Seller hereby represents and warrants to Bank with respect to each Participated Mortgage Loan:

(a) Except for the Participation Interest in such Participated Mortgage Loan and any and all other rights, titles or interests of Bank in or to such Participated Mortgage Loan and the related Mortgage Loan Documents: (i) Seller is the sole direct, legal and beneficial owner of all rights, titles and interests in and to such Participated Mortgage Loan and the related Mortgage

Loan Documents; (ii) such Participated Mortgage Loan and the related Mortgage Loan Documents are free and clear of all Liens; and (iii) no right title, or interest in or to such Participated Mortgage Loan or the related Mortgage Loan Documents, or any part thereof, has been transferred, assigned or conveyed to any Person. Seller has the full right to sell to Bank a Participation Interest in such Participated Mortgage Loan and the related Mortgage Loan Documents free and clear of any Lien;

(b) Bank is the sole legal and beneficial owner of a Participation Interest in such Mortgage Loan, having an undivided percentage ownership interest equal to the Participation Percentage therefor;

(c) The Mortgage Note evidencing such Participated Mortgage Loan contains the Required Endorsements. The endorsement of such Mortgage Note pursuant to the Required Endorsements (including any endorsement of such Mortgage Note on behalf of Seller pursuant to the power of attorney granted herein or such other power of attorney delivered by Seller to Bank in accordance with this Agreement) and the assignment of such Mortgage Note and the other Mortgage Loan Documents related to such Participated Mortgage Loan (whether executed by Seller or by Bank pursuant to the general power of attorney herein granted or such other power of attorney delivered by Seller to Bank in accordance with this Agreement) is or will be valid and enforceable under all applicable Law;

(d) Any and all portions of the Participated Mortgage Loan required hereunder to be funded by Seller have been funded from sources other than any loan, credit facility or other financing or sale arrangement;

(e) (i) The Mortgage Loan Documents for such Participated Mortgage Loan have been duly executed and delivered by the related Borrower, and where applicable, acknowledged, and recorded; and (ii) such Participated Mortgage Loan is valid and complies with all applicable lending Laws applicable to the related Borrower, Seller and Bank and the Mortgaged Property securing such Participated Mortgage Loan;

(f) (i) Such Participated Mortgage Loan is secured by a valid first Lien on the Mortgaged Property described in the Security Instrument for such Participated Mortgage Loan; (ii) such Mortgaged Property is free and clear of all Liens, claims and encumbrances having priority over the Lien of the Security Instrument which secures such Participated Mortgage Loan, except for Permitted Encumbrances; and (iii) there is no subordinate Lien encumbering such Mortgaged Property;

(g) A Title Policy has been obtained by Seller, in the full amount of such Participated Mortgage Loan, which provides insurance to Seller (and its successors and/or assigns) that the Lien of the Security Instrument securing such Participated Mortgage Loan is a first and prior Lien upon the related Mortgaged Property, without any exceptions, except for Permitted Encumbrances, and which Title Policy includes such endorsements thereto which are consistent with Accepted Lending Practices;

(h) Such Participated Mortgage Loan and the related Mortgage Loan Documents are valid, binding and enforceable in accordance with their respective terms, in full force and effect, except as such enforceability may be limited by bankruptcy, insolvency or other Laws of general application relating to the enforcement of creditors' rights;

(i) The Mortgage Note evidencing such Participated Mortgage Loan is genuine in all respects as appearing on its face and as represented in the books and records of Seller, and all information set forth therein is true and correct;

(j) (i) The Mortgage Loan Documents evidencing such Participated Mortgage Loan contain the entire agreement of the parties thereto with respect to the subject matter thereof, have not been modified or amended in any respect not expressed in writing therein and are free of concessions or understandings with the obligor thereon of any kind not expressed in writing therein; and (ii) such Participated Mortgage Loan and the related Mortgage Loan Documents are in all respects consistent with, and contain the same terms as represented by Seller to Bank in, the related Request, except as disclosed by Seller to Bank in writing prior to the time of the Purchase Date for such Participated Mortgage Loan;

(k) No default or breach has occurred under any Mortgage Loan Document relating to such Participated Mortgage Loan;

(l) (i) Such Participated Mortgage Loan is in all respects in compliance with all Laws applicable thereto, including all Laws applicable to the processing, origination, underwriting, closing and funding of such Participated Mortgage Loan; and (ii) without limiting the forgoing, Seller is in compliance with all Laws applicable to Seller in connection with such Participated Mortgage Loan;

(m) (i) The full principal amount of such Participated Mortgage Loan has been advanced; (ii) the outstanding principal balance of such Participated Mortgage Loan as of the Purchase Date related thereto is as stated in the related Request; and (iii) all costs, fees and expenses incurred in making, closing and recording such Participated Mortgage Loan have been paid;

(n) (i) All payments and other deposits made with respect to such Participated Mortgage Loan have been paid in cash by the related Borrower; (ii) Seller has not advanced funds, or induced, solicited or knowingly received any advance of funds by a Person other than such Borrower, directly or indirectly, for the payment of any amount required by such Participated Mortgage Loan, except for interest accruing from the date of the disbursement of the proceeds of such Participated Mortgage Loan to the day which precedes by one (1) month the due date of the first installment of principal and interest thereunder; and (iii) other than as disclosed to Bank in writing, there have been no prepayments made on such Participated Mortgage Loan;

(o) To the best of Seller's knowledge, all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges (relating to any of the Mortgaged Property for such Participated Mortgage Loan) which previously became due and owing have been paid, or an escrow of funds has been established in an amount sufficient to pay for every such item which remains unpaid;

(p) Such Participated Mortgage Loan which Seller represents to be insured by a private mortgage insurer is so insured;

(q) With respect to such Participated Mortgage Loan, all conditions as to the validity of the applicable insurance as required by applicable Law, the related Mortgage Loan Documents and by private mortgage insurance companies or other insurers, if and to the extent applicable, have been properly satisfied, and said insurance is valid and enforceable;

(r) To the best of Seller's knowledge: (i) the Mortgaged Property for such Participated Mortgage Loan is (A) in good repair and (B) free from damage (normal wear and tear excepted) since the date of the origination of such Participated Mortgage Loan; and (ii) there is no proceeding pending for the total or partial condemnation of any portion of such Mortgaged Property;

(s) (i) Seller has arranged to sell such Participated Mortgage Loan to a Take-Out Purchaser pursuant to a Take-Out Purchase Agreement, which sale is to be completed pursuant to the terms of such Take-Out Purchase Agreement no later than thirty (30) days after the Purchase Date for such Participated Mortgage Loan; and (ii) such Participated Mortgage Loan satisfies the eligibility, qualifications and other requirements under such Take-Out Purchase Agreement for the purchase thereunder by such Take-Out Purchaser;

(t) (i) If such Participated Mortgage Loan shall have been represented by Seller to Bank to be a Mortgage Loan eligible for purchase by any Agency or is required by Bank pursuant to the Warehouse Program Guide to be eligible for purchase by any Agency, (A) Seller has fully complied with the underwriting requirements of such Agency (in effect at the time such Participated Mortgage Loan was made) and such other underwriting requirements of the Warehouse Program Guide (in effect as of the date of the Purchase Date for such Participated Mortgage Loan) and (B) such Participated Mortgage Loan is otherwise in compliance with any and all other rules, regulations, policies, procedures and other requirements of such Agency for the purchase of such Participated Mortgage Loan; or (ii) if such Participated Mortgage Loan shall not have been represented by Seller to Bank to be a Mortgage Loan eligible for purchase by any Agency or is not required by Bank pursuant to the Warehouse Program Guide to be eligible for purchase by any Agency, Seller has fully complied with the underwriting requirements of the applicable Take-Out Purchaser for such Participated Mortgage Loan and complied with the underwriting requirements of the "general overlays" within the Warehouse Program Guide (in effect as of the date of the Purchase Date for such Participated Mortgage Loan);

(u) Except as otherwise provided in this Agreement, Seller has obtained, and has in its possession, in due form, fully executed originals of all of the Mortgage Loan Documents relating to such Participated Mortgage Loan required to legally effect such Participated Mortgage Loan, and all such Mortgage Loan Documents will be held and delivered by Seller pursuant to the terms and conditions of this Agreement;

(v) To the best of Seller's knowledge, all of the improvements which are included for the purpose of determining the appraised value of the Mortgaged Property related to such Participated Mortgage Loan lie wholly within the boundaries of such Mortgaged Property and do not encroach upon building restriction lines, and no improvements on adjoining properties encroach upon such Mortgaged Property. Seller has obtained a Title Policy without exceptions for boundary line and building line encroachments;

(w) To the best of Seller's knowledge, no circumstances or conditions exist with respect to such Participated Mortgage Loan, the related Mortgaged Property or the related Borrower (including its credit standing) that could be reasonably expected: (i) to cause the Take- Out Purchaser committed to purchase such Participated Mortgage Loan from Seller to not purchase such Participated Mortgage Loan; (ii) to cause any other private institutional investors or any Agency to regard such Participated Mortgage Loan as an unacceptable investment; (iii) to cause the occurrence of a default under the related Mortgage Loan Documents; or (iv) to adversely affect the value or marketability of such Participated Mortgage Loan;

(x) The information regarding such Participated Mortgage Loan (including with regard to the related Borrower) provided to Bank is true, complete and correct as of the Purchase Date for such Participated Mortgage Loan; and

(y) The Mortgage Loan Transaction for such Participated Mortgage Loan shall have been completed on and as of the Purchase Date related thereto.

6.11 **Survival of Representations**. All representations and warranties by Seller herein shall survive the termination or expiration of this Agreement and the making of any and all Advances. Any and all investigations at any time made by or on behalf of Bank shall not limit, impair or diminish Bank's right to rely on any and all representations and warranties by Seller herein.

ARTICLE 7
AFFIRMATIVE COVENANTS

At all times prior to the Agreement Termination Date (and thereafter if expressly required hereunder), Seller covenants and agrees with Bank that:

7.1 **Financial Statements and Reports.** Seller shall furnish to Bank the following, all in form and detail satisfactory to Bank:

(a) Promptly after becoming available, and in any event within ninety (90) days after the close of each fiscal year of Seller and Guarantor, an audited balance sheet of Seller and Guarantor as of the end of such year, and an audited statement of income and retained earnings of Seller and Guarantor for such year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, accompanied by the related report of independent certified public accountants acceptable to Bank, which report shall be to the effect that such statements have been prepared in accordance with GAAP;

(b) If requested by Bank, on or before the thirtieth (30th) day of any calendar month: (i) a statement of income and expenses of Seller for the prior calendar month; and (ii) a statement, in form and content acceptable to Bank, setting forth the status, as of the last day of the prior calendar month, of all Loan Applications being processed by Seller for closing;

(c) Promptly after becoming available, and in any event within thirty (30) days after the close of each fiscal quarter of Seller and Guarantor, a balance sheet of Seller and Guarantor as of the end of such fiscal quarter, a statement of income and retained earnings for such fiscal quarter and an operating statement of Seller and Guarantor for such fiscal quarter setting forth in each case in comparative form the corresponding figures for the corresponding fiscal quarter of the preceding fiscal year, prepared in accordance with GAAP and certified by the principal financial officer of Seller and Guarantor;

(d) If Seller has been approved by Bank to sell Mortgage Loans to Securitizers, weekly hedging reports, in such form and content required by Bank;

(e) Promptly upon receipt thereof, a copy of each other report submitted to Seller by independent accountants in connection with any annual, interim or special audit of the books of Seller; and

(f) Such other information concerning the business, Properties or financial condition of Seller, or regarding any Participated Mortgage Loan, as Bank may reasonably request.

7.2 **Taxes and Other Liens**. Seller shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income or upon any of its Property as well as all claims of any kind (including claims for labor, materials, supplies and rent) which, if unpaid, might become a Lien upon any or all of its Property or the Mortgage Loans; provided, however, Seller shall not be required to pay any such tax, assessment, charge, levy or claim regarding its Property (other than with respect to Participated Mortgage Loans) if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings diligently conducted by or on behalf of Seller and if Seller shall have set up reserves therefor adequate under GAAP.

7.3 **Maintenance**. Seller shall: (a) maintain its existence and all of its licenses, permits, franchises, qualifications and rights that are necessary in order for Seller to conduct its business; and (b) observe and comply in all material respects with all applicable Laws.

7.4 **Further Assurances**. Seller shall promptly cure any defects in the execution and delivery of this Agreement and any other Warehouse Document. Seller shall, at its expense, promptly execute and deliver to Bank, upon Bank's reasonable request, all such other and further documents, agreements and instruments in compliance with or accomplishment of the covenants and agreements of Seller in this Agreement, the other Warehouse Documents and all documents executed in connection herewith. In addition, Seller will provide Bank with any and all documentation and other information required by Bank relating to the business and background of Seller and its directors, officers, employees and representatives, and any certifications reasonably required by Bank to verify Seller's compliance with any applicable Laws.

7.5 **Accounts**. To facilitate the transfer of funds contemplated by this Agreement, Seller shall establish and maintain at Bank each of the Accounts. All other deposit accounts, certificate of deposit and other similar account of Seller shall be maintained only in accounts at federally insured financial institutions.

7.6 **Use of Electronic Platform**. Seller shall be required to use the Internet-based electronic platform established by Bank (as modified, replaced, enhanced or upgraded by Bank from time to time, the "Electronic Platform") in connection with the purchase and sale of Participation Interests and the other transactions contemplated in this Agreement, subject to the following:

(a) Bank hereby grants to Seller a revocable, non-exclusive, non-transferable license to access and use the Electronic Platform solely for the limited purpose of facilitating the sale by Seller to Bank of Participation Interests and the other transactions contemplated by this Agreement. Seller shall not permit any Person to utilize the Electronic Platform other than employees of Seller who have been approved in advance by Bank in writing (each an "Authorized User"). Seller shall immediately notify Bank of any unauthorized use of the Electronic Platform.

(b) Seller shall take all reasonable precautions to prevent unauthorized Persons from obtaining access to or use of the Electronic Platform. Bank shall have the right to rely upon any information received in the Electronic Platform from any Person using a password assigned to an Authorized User, and will incur no liability for such reliance. Seller shall be responsible for securing such passwords and shall be responsible for any actions taken using such passwords. In the event of any breach of the security measures established by Bank, including use of the Electronic Platform by any unauthorized Person, Bank shall have the right to immediately terminate or suspend access to the affected portion of the Electronic Platform by Seller and their Authorized Users until such time such breach has been secured to Bank's satisfaction.

(c) Bank shall not be required to perpetually license, maintain, service or support the Electronic Platform. Bank may at any time discontinue the Electronic Platform by providing written notice thereof to Seller. In addition, Bank may at any time terminate the license granted to Seller to use, and Seller's access to, the Electronic Platform by providing written notice thereof to Seller. Bank reserves the right to modify, replace, enhance or upgrade the Electronic Platform from time to time in Bank's sole discretion.

(d) SELLER UNDERSTANDS AND AGREES THAT THE ELECTRONIC PLATFORM IS BEING LICENSED, DELIVERED AND MADE AVAILABLE "AS IS", "WHERE IS", "WITH ALL FAULTS", AND WITH ANY AND ALL LATENT AND PATENT DEFECTS, WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY BANK, AND BANK HEREBY DISCLAIMS AND SELLER HEREBY WAIVES ANY AND ALL IMPLIED REPRESENTATIONS, WARRANTIES AND COVENANTS. EXCEPT AS EXPRESSLY STATED HEREIN, BANK HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND BANK HEREBY DISCLAIMS AND RENOUNCES ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES.

(e) Seller is fully aware of the inherent security risks of any Internet-based application (such as the Electronic Platform) and, in particular, the risk that unauthorized third- parties may through unauthorized use, "hacking", "Trojan horses", viruses or otherwise be able to access and manipulate the use of the Electronic Platform and the data made available thereby without Bank in any way being aware that the user is not Seller. Seller voluntarily assumes all such risks. Accordingly, **SELLER WILL RELEASE, HOLD HARMLESS AND INDEMNIFY EACH INDEMNIFIED PARTY FROM AND AGAINST ANY AND ALL LOSSES WHICH ARE RELATED TO ANY UNAUTHORIZED PARTY'S ACCESS THAT RESULTS IN THE DIVERSION, MISAPPROPRIATION OR USE OF THE INFORMATION MADE AVAILABLE THROUGH THE ELECTRONIC PLATFORM OR SELLER'S FUNDS AT BANK OR OTHERWISE.**

(f) Notwithstanding anything in this Section to the apparent contrary, the provisions of this Section shall not be deemed to limit or release Bank from its obligations under Section 10.26.

7.7 **Reimbursement of Expenses**. Seller shall pay, upon demand by Bank, any and all out of pocket fees and expenses incurred by Bank in enforcing its rights or remedies under this Agreement or any other Warehouse Document, which amounts shall include all court costs, reasonable attorneys' fees (including for trial, appeal or other proceedings, when awarded) , fees of auditors and accountants, and investigation expenses reasonably incurred by Bank in connection with any such matters, together with interest at the highest rate allowed by applicable Law on each such amount from the date of written demand or request for reimbursement until the date of reimbursement. Seller and Bank shall otherwise each be responsible for their own out of pocket expenses unless expressly provided otherwise in this Agreement or any other Warehouse Document.

7.8 **Insurance**. Seller shall at all time maintain in force and effect such insurance required under the Warehouse Program Guide. Without limiting the generality of the foregoing, such insurance shall be issued by such insurers, insure against such risks, be in such form, have such coverage amounts, deductibles, limits and retentions, contain such endorsements and otherwise be in such form, as required under the Warehouse Program Guide.

7.9 **Accounts and Records**. Seller shall keep books of record and account in which full, true and correct entries will be made of all dealings or transactions in relation to its business and activities, including the sale of any Participation Interests to Bank, in accordance with GAAP.

7.10 **Books and Records**. Seller agrees to maintain customary books and records relating to the Participation Interests sold by Seller to Bank hereunder. Seller shall properly reflect in its books and records the sale by Seller to Bank of all Participation Interests sold to Bank and the Percentage Interests of Bank in such Participation Interests. Upon request, Seller shall furnish to Bank copies of any of Seller's books and records and financial statements relating to the Participation Interests purchased by Bank from Seller hereunder.

7.11 **Mortgage Loan Files**. Except as expressly permitted or required hereunder, and subject to the provisions of Section 5.11, at all times after the Purchase Date for any Participated Mortgage Loan, Seller shall have and maintain in its direct custody and possession the Mortgage File for such Participated Mortgage Loan.

7.12 **Document Retention**. With respect to each Participated Mortgage Loan, Seller will maintain in its files all records relating to such Participated Mortgage Loan for the period of time required by applicable Law, but in no event for less than twenty-five (25) months from the Purchase Date for such Participated Mortgage Loan. Within twenty-four (24) hours following any demand therefor, Seller will supply Bank with certified copies and/or originals of any such records.

7.13 **Right of Inspection**. Seller shall permit any officer, employee, agent or representative of Bank: (a) with at least one Business Days' written notice, to examine (at any office of Seller selected by Bank), during normal business hours, Seller's books and records, accounts and any and all files, records and documents relating to the Mortgage Loans in which Bank has purchased or will purchase Participation Interests (including any in-file credit reports), and to make copies and extracts of any and all of the foregoing; and (b) to discuss the affairs, finances, books and records, and accounts of Seller with Seller's officers, accountants and auditors and other representatives who are subject to the confidentiality provisions of this Agreement.

7.14 **Audit**. Seller shall permit any third-party consultant engaged by Bank (each an "Auditor"), at the expense of Seller, which expenses shall be commercially reasonable, to inspect and conduct an audit of Seller's business operations and records related thereto with respect to Seller's compliance with the terms of this Agreement; provided, however, if such audit is conducted by Bank more than once during any fiscal year, and such additional audit is not the result of the occurrence of an Event of Default, Bank shall be responsible for the fee payable to the Auditor that performed such additional audit. In connection with each audit, Seller shall cooperate with the Auditor and will cause Seller's employees, agents and contractors to cooperate with the Auditor, and Seller shall furnish or cause to be furnished to the Auditor such information and documentation the Auditor may consider necessary or useful in connection with the performance of the audit.

7.15 **Notice of Certain Events**.

(a) Upon discovery, Seller shall promptly notify Bank of any event or circumstance or notice thereof which could reasonably be expected to have a Material Adverse Effect upon Seller. Without limiting the generality of the foregoing, Seller shall promptly deliver to Bank copies of all notices and other documents and correspondence from any Governmental Authority regarding any alleged non-compliance or potential non-compliance with the Dodd-Frank Act or any other applicable Law related to the financing and sale of Mortgage Loans.

(b) Seller shall furnish to Bank immediately upon becoming aware of the existence of any Event of Default, a written notice specifying the nature and period of existence thereof and the action which Seller is taking or proposes to take with respect thereto.

7.16 **Compliance with Warehouse Documents**. Seller shall promptly and fully perform, observe and comply with any and all provisions of this Agreement and the other Warehouse Documents to which Seller is a party.

7.17 **Guaranty**. If requested by Bank at any time, Seller agrees to obtain and deliver to Bank one or more Guaranty Agreement executed by any of the shareholders, partners, members, managers and/or principals of Seller and/or other Persons required by Bank in consideration of Bank executing this Agreement and/or to induce Bank to consider purchasing Participation Interests.

7.18 **INDEMNIFICATION**. **SELLER SHALL INDEMNIFY, DEFEND, PROTECT AND HOLD HARMLESS BANK, BANK'S PARENTS, SUBSIDIARIES AND AFFILIATES, AND ALL DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS, SUCCESSORS AND ASSIGNS OF ANY OF THE FOREGOING (EACH AN "INDEMNIFIED PARTY") FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES, CLAIMS, PENALTIES, JUDGMENTS, OBLIGATIONS, DISBURSEMENTS, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES), ACTIONS, PROCEEDINGS OR DISPUTES (COLLECTIVELY, "LOSSES") INCURRED BY ANY INDEMNIFIED PARTY OR TO WHICH ANY INDEMNIFIED PARTY MAY BECOME SUBJECT WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO THIS AGREEMENT, ANY OTHER WAREHOUSE DOCUMENT, ANY PARTICIPATED MORTGAGE LOAN OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER WAREHOUSE DOCUMENT, INCLUDING ANY AND ALL LOSSES DUE TO: (A) ANY NEGLIGENT OR FRAUDULENT ACT OR OMISSION OF SELLER OR ANY OF ITS AGENTS, REPRESENTATIVES OR EMPLOYEES; (B) ANY BREACH BY SELLER OF ANY REPRESENTATION OR WARRANTY CONTAINED HEREIN; (C) ANY BREACH BY SELLER OF ANY PROVISION OF THIS AGREEMENT OR ANY OTHER WAREHOUSE DOCUMENT; (D) ANY EVENT OF DEFAULT; (E) SELLER'S USE FOR ANY MORTGAGE LOAN OF ANY FORM OR DOCUMENT NOT PROVIDED OR APPROVED BY BANK; (F) ANY MISCALCULATIONS OR OTHER ERRORS WHICH RESULT FROM SELLER'S INDEPENDENT PROCESSING PROCEDURES OR ITS MISUSE OR ALTERATION OF ANY FORMS OR DOCUMENTS PROVIDED OR APPROVED BY BANK; (G) ANY FAILURE BY SELLER TO COMPLY WITH ANY LAW; (H) THE UNMARKETABILITY OF ANY PARTICIPATED MORTGAGE LOAN RESULTING FROM ANY MATTER DESCRIBED IN CLAUSES (A) THROUGH (G) OF THIS SENTENCE; AND (I) ANY UNAUTHORIZED ACCESS TO OR USE OF THE ELECTRONIC PLATFORM OR THE INFORMATION MADE AVAILABLE THEREBY DUE TO ANY ACT OR OMISSION OF SELLER. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH INDEMNIFIED PARTY TO BE INDEMNIFIED UNDER THIS SECTION OR ANY OTHER SECTION OF THIS AGREEMENT (INCLUDING, SECTIONS 5.8, 7.6 AND 10.23) OR UNDER ANY OTHER WAREHOUSE DOCUMENT SHALL BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE (WHETHER SOLE, COMPARATIVE OR CONTRIBUTORY) OR STRICT LIABILITY OF SUCH INDEMNIFIED PARTY; PROVIDED, HOWEVER, THAT SUCH INDEMNITIES SHALL NOT APPLY TO A PARTICULAR INDEMNIFIED PARTY WITH REGARD TO, AND TO THE EXTENT OF THE AMOUNT OF, THOSE CERTAIN LOSSES (IF ANY) WHICH ARE DETERMINED BY A FINAL NON-APPEALABLE ORDER OF**

A COURT OF COMPETENT JURISDICTION TO HAVE BEEN PROXIMATELY CAUSED SOLELY BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IN NO EVENT WILL SELLER BE LIABLE FOR LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, OR INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORSEEABLE OR WHETHER SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Each Indemnified Party shall give Seller prompt written notice of any losses or discovery of fact on which Indemnified Party intends to base a request for indemnification. Indemnified Party's failure to provide notice does not relieve Seller of any liability but in no event will Seller be liable for any losses that result from a delay in providing this notice. Each Indemnified Party may employ an attorney or attorneys to protect or enforce its respective rights, remedies and recourses under this Agreement and any other Warehouse Documents, and to advise and defend it with respect to any such actions and other matters. Seller shall reimburse each Indemnified Party for its respective reasonable attorneys' fees and expenses (including expenses and costs for experts) immediately upon receipt of a written demand therefor, whether on a monthly or other time interval, and whether or not an action is actually commenced or concluded. All other reimbursement and indemnity obligations hereunder shall become due and payable when actually incurred by such Indemnified Party. Any payments not made within five (5) days after written demand therefor shall bear interest at the highest rate permitted under applicable Law from the date of such demand until fully paid. The provisions of this Section and the other indemnity and hold harmless provisions of this Agreement (including Sections 5.8, 7.6 and 10.23) and the other Warehouse Documents shall survive the termination of this Agreement.

7.19 **Interest Rate Hedging**. Seller shall at all times hedge against the interest rate risk associated with any and all Mortgage Loans owned in whole or in part by Seller, as may be reasonably required by Bank from time to time.

7.20 **Closing Instructions**. Prior to the first Advance hereunder (if any) for the purchase of a Participation Interest in any Seller Originated Mortgage Loan, Bank shall have received a copy of, and approved in writing, Seller's standard form of closing instructions letter (such form of closing instructions letter which has been approved by Bank in writing is referred to herein as the "Approved Closing Instructions Form"). In connection with the closing of each Participated Mortgage Loan (that is a Seller Originated Mortgage Loan) Seller shall deliver a closing instructions letter to the applicable Escrow Agent which is in all material respects consistent with the Approved Closing Instructions Form and Seller shall have obtained a copy of such closing instructions agreed to by such Escrow Agent.

ARTICLE 8
NEGATIVE COVENANTS

At all times prior to the Agreement Termination Date (and thereafter if expressly required hereunder), Seller covenants and agrees with Bank that:

8.1 **Management or Control**. Without the prior written consent of Bank: (a) there shall not be any material change in direct or indirect management or control Seller; and (b) Seller shall not cease to maintain key management and executive personnel at a level of experience and ability equivalent to the present executive management and executive personnel as of the date hereof.

8.2 **Transfer of Ownership Interest**. Without the prior written consent of Bank, which consent shall not be unreasonably withheld or delayed, there shall not be any sale, transfer or assignment to any Person of the direct or indirect ownership interest in Seller if such sale, transfer or assignment shall result in such Person holding, directly or indirectly, ten percent (10.0%) or more of the total outstanding ownership interest in Seller.

8.3 **Merger**. Without the prior written consent of Bank, Seller shall not: (a) become a party to any merger or consolidation; (b) purchase or otherwise acquire all or any part of the assets or shares or other evidence of beneficial ownership of any Person; (c) sell or otherwise sell, transfer or assign all or substantially all of the assets or Properties of Seller to any other Person; or (d) wind-up, dissolve or liquidate.

8.4 **Fiscal Year; Method of Accounting**. Seller shall not, without giving prior written notice to Bank, change its fiscal year or method of accounting.

8.5 **Actions with respect to Mortgage Loans**. Seller shall not:

(a) Release the Lien of any Security Instrument of any Participated Mortgage Loan; (b) Amend, modify or supplement in any material respect any Mortgage Loan Document related to any Participated Mortgage Loan;

(c) Grant, create, incur, permit or suffer to exist any Lien upon the Mortgaged Property which is security for any Participated Mortgage Loan, except for the Lien granted under the Security Instrument for such Participated Mortgage Loan; or

(d) Sell, transfer or assign any of Seller's rights, tiles or interests in or to any Participated Mortgage Loan to any Person except as expressly provided in this Agreement or otherwise with the prior written consent of Bank.

8.6 **Compliance with Material Agreements**. Seller shall not permit any default to occur with respect to any agreement, indenture, mortgage or document binding on it or affecting its Property or business, if such default may have a Material Adverse Effect upon Seller.

8.7 **Representations Regarding Interests Sold**. Seller will not represent to any Person that Seller owns all or any portion of the Participation Interests purchased by Bank under this Agreement.

ARTICLE 9
EVENTS OF DEFAULT; CERTAIN RIGHTS AND REMEDIES OF BANK

9.1 **Events of Default**. An Event of Default shall exist if any one or more of the following occurs:

(a) Seller or any other Obligated Party shall fail to punctually make any payment of fees or other sums when due hereunder, or under any other Warehouse Document to which it is a party, and such failure shall continue for a period of three (3) days thereafter (provided that Bank shall not be required to provide any such three (3)-day grace period more than two (2) times in any twelve (12)-month period);

(b) The failure or refusal of Seller or any other Obligated Party to perform, observe or comply with any covenant or agreement contained in this Agreement or any other Warehouse Document to which it is a party, which failure or refusal is not otherwise addressed in this Section, and such failure or refusal continues for a period of five (5) days (provided that Bank shall not be required to provide any such five (5)-day grace period more than two (2) times in any twelve (12)-month period);

(c) Any material statement, warranty or representation made at any time by or on behalf of Seller or any other Obligated Party in this Agreement or any other Warehouse Document, or in any writing or communication (including any Request), or any statement or representation made in any certificate, report, or opinion delivered to Bank pursuant to or in connection with this Agreement or any other Warehouse Document to which it is a party, is false, calculated to mislead, misleading or erroneous in any material respect at the time made;

(d) Default shall occur (after the expiration of any applicable grace and cure periods): (i) in the punctual payment of any material indebtedness of Seller or any other Obligated Party owing to any Person (other than Bank), or in the performance, observance or compliance with any other covenant, agreement or obligation of any agreement executed in connection therewith; or (ii) in the performance of any other material agreement binding upon Seller or any other Obligated Party;

(e) Seller or any other Obligated Party shall: (i) apply for or consent to the appointment of a receiver, trustee, custodian, intervenor or liquidator of such Person or of all or a substantial part of its assets; (ii) file a voluntary petition in bankruptcy, admit in writing that it is unable to pay its debts as they become due or generally not pay its debts as they become due; (iii) make a general assignment for the benefit of creditors; (iv) file a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy or insolvency laws; (v) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or (vi) take any action for the purpose of effecting any of the foregoing;

(f) An involuntary petition or complaint shall be filed against Seller or any other Obligated Party seeking bankruptcy or reorganization of such Person or the appointment of a receiver, custodian, trustee, intervenor or liquidator of it, or of all or substantially all of its assets, and such petition or complaint shall not have been dismissed within thirty (30) days of the filing thereof; or an order, order for relief, judgment or decree shall be entered by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of such Person or appointing a receiver, custodian, trustee, intervenor or liquidator of such Person, or of all or substantially all of its assets, and such order, judgment or decree shall continue unstayed and in effect for a period of thirty (30) days;

(g) Seller shall fail within thirty (30) days to pay, bond or otherwise discharge any judgment or order for payment of money in excess of the Maximum Judgment Amount that is not otherwise being satisfied in accordance with its terms and is not stayed on appeal or otherwise being contested in good faith;

(h) Any default or event of default shall occur (after the expiration of any applicable grace and cure periods) under any indebtedness of Seller or any other Obligated Party to Bank (other than arising out of or pursuant to this Agreement) or under any document evidencing, securing or pertaining to any indebtedness of Seller or any other Obligated Party to Bank;

(i) Any Person shall levy on, seize, or attach all or any material portion of the Property of Seller or any other Obligated Party which is not permanently dismissed or discharged within thirty (30) days after commencement of such action;

(j) The failure of Seller to repurchase any Participation Interest (or any portion thereof) as and when required pursuant to the provisions of this Agreement;

(k) The dissolution of Seller or any other Obligated Party that is an entity for any reason, or the death or incapacity of any Obligated Party that is a natural person;

(l) If any Guarantor should purport or attempt to revoke Guarantor's guaranty or terminate Guarantor's liability thereunder;

(m) (i) Any change in the financial condition of Seller or any other Obligated Party from the condition shown on the financial statements submitted to Bank and relied upon by Bank in connection with the execution of this Agreement, which change would have a Material Adverse Effect upon Seller or any other Obligated Party, the materiality and adverse effect of such change in financial condition to be reasonably determined by Bank in accordance with its credit standards and underwriting practices in effect at the time of making such determination; or (ii) if Bank in good faith believes that any other act, event, condition or circumstance exists or has occurred (including a material management or organizational change in Seller or any other Obligated Party) that would have a Material Adverse Effect upon Seller or any other Obligated Party; or

(n) Any Warehouse Document ceases to be in full force and effect, or to be enforceable in accordance with its terms.

9.2 **Default Remedies**. Upon the occurrence of an Event of Default, without any presentment, demand, protest, notice of protest and nonpayment, or other notice of any kind, all of which are hereby expressly waived by Seller, Bank may, in its sole and absolute discretion, immediately: (a) terminate or suspend Seller's right hereunder to submit any Request to Bank for Bank to purchase Participation Interests; (b) pursuant to the power of attorney conferred to Bank by Seller in connection with this Agreement (and in reliance of Section 10.18 in the event that Bank exercises the following remedy after the occurrence of an Event of Default specified in Sections 9.1(e) or (f)), sell in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as Bank shall reasonably deem satisfactory, any or all rights, titles and interest of Bank and Seller in and to any or all Participated Mortgage Loans and apply the proceeds thereof to the aggregate outstanding Advances made by Bank in connection with such Participated Mortgage Loans and to any other amounts payable to Bank in connection with this Agreement or any other Warehouse Document, in such order and amounts determined by Bank; (c) exercise its rights and remedies under any Pledge Agreement, Guaranty Agreement or other Warehouse Document; and/or (d) exercise any other right or remedy otherwise available to Bank under this Agreement or any other Warehouse Document or at law or in equity. Notwithstanding the foregoing, if an Event of Default specified in Sections 9.1(e) or (f) occurs, fees and other sums due hereunder shall become automatically and immediately due and payable, both without any action by Bank and without presentment, demand, protest, notice of protest and nonpayment, notice of acceleration or of intent to accelerate, or any other notice of any kind, all of which are hereby expressly waived, notwithstanding anything contained herein to the contrary.

ARTICLE 10
MISCELLANEOUS

10.1 **Accounting Principles**. Where the character or amount of any asset or liability or item of income or expense is required to be determined or other financial or accounting computation is required to be made for the purposes of this Agreement or any other Warehouse Document, such determination shall be made in accordance with GAAP, except where such principles are inconsistent with the requirements of this Agreement or such other Warehouse Document. In addition, any accounting term used in this Agreement or any other Warehouse Document shall have, unless otherwise specifically provided therein, the meaning customarily given to such term in accordance with GAAP or other method of accounting acceptable to Bank.

10.2 **Time**. Time is of the essence of each and every term of this Agreement and the other Warehouse Documents.

10.3 **Titles of Articles, Sections and Subsections**. All titles or headings to articles, sections, subsections or other divisions of this Agreement or any other Warehouse Document or the exhibits or addenda hereto or thereto are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the content of such articles, sections, subsections or other divisions, such content being controlling as to the agreement between the parties hereto.

10.4 **Seller's Status**. It is agreed that the relationship of Seller and Bank hereunder shall be that of the seller and purchaser of interests in Mortgage Loans. Seller and Bank are not partners or joint venturers, and nothing contained herein shall be construed to create a partnership, joint venture or similar relationship between the parties. Seller shall not act as or hold itself out to the public as being an agent for Bank, but is to act in all loan origination, administration and servicing matters hereunder for itself and in its name only, except to the extent that Seller is required under this Agreement to act as a trustee with fiduciary duties to hold for the benefit of Bank the Participated Mortgage Loans and the related Mortgage Loan Documents, and any and all funds and receipts, whether as principal, interest, escrows of otherwise, in respect of any Participated Mortgage Loan, and to make the remittances of any and all such documents and funds as specified in this Agreement. It further is agreed that Seller, as trustee, shall not assign its responsibilities under this Agreement except in accordance with this Agreement.

10.5 **Notices**. Any and all notices, requests and other communications required or permitted to be given under or in connection with this Agreement or any other Warehouse Document, except as otherwise provided herein or therein, shall be in writing and mailed or sent by electronic mail to the respective address, and to the attention of the designated recipient, provided below for Bank and provided on the signature page of this Agreement for Seller (or to such other address or to such designated recipient, as either party may designate in a written notice to the other party furnished pursuant to this Section). Such notices, requests and other communications so sent shall be deemed to have been given immediately if made by electronic mail (confirmed by concurrent written notice sent first class U.S. mail, postage prepaid), or one (1) day after sending by recognized national overnight courier company, signature of recipient required if to Seller or Bank; any notice, request and other communication sent by any other means shall be deemed made when actually received in writing by the designated recipient of the party to which notice is provided in accordance with this Section. Notwithstanding the foregoing, Requests or communications related to a Request shall not be effective until actually received by Bank. Bank's address for notices is:

TEXAS CAPITAL BANK, N.A.
2350 Lakeside Boulevard, Suite 310
Richardson, Texas 75082
Attention: Bruce Karda
E-mail: bruce.karda@texascapitalbank.com

10.6 **Amendments and Waivers**. Subject to Section 10.7, any provision of this Agreement or any other Warehouse Document may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by all the parties to this Agreement, such Warehouse Document or such other documents, as the case may be. The acceptance of Bank at any time and from time to time of part payment on any amounts payable to Bank hereunder shall not be deemed to be a waiver of the balance of such amounts. No waiver by Bank of any Event of Default shall be deemed to be a waiver of any other

then-existing or subsequent Event of Default. No waiver by Bank of any of its rights or remedies under this Agreement, any other Warehouse Document, or otherwise, shall be considered a waiver of any other or subsequent right or remedy of Bank. No delay or omission by Bank in exercising any right or remedy under this Agreement or any other Warehouse Document shall impair such right or remedy or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such right or remedy preclude other or further exercise thereof, or the exercise of any other right or remedy under this Agreement, any other Warehouse Document or otherwise.

10.7 **Amendment Due to Government Regulation**. Both Bank and Seller understand that Bank is subject to the supervision of various Governmental Authorities. Should any Governmental Authority direct Bank to discontinue any practice set forth herein or to amend the terms hereof, Bank shall take immediate action to do so and shall notify Seller of such action. Seller hereby consents to such action and agrees to enter into any amendment or termination hereof as may be reasonably required by Bank to bring Bank into full compliance with applicable Laws.

10.8 **Participations**. Seller agrees that Bank may elect, at any time and in its sole discretion, to sell, assign and convey an undivided percentage ownership interest, or grant an undivided participation interest, in all or any portion of the Participation Interests (or any portion of any such Participation Interest) to one or more financial institutions, private investors and/or other Persons (collectively, "Participants"). Seller further agrees that Bank may disseminate to any such actual or potential Participants all documents and information (including any and all financial information) which has been or is hereafter provided to or known to Bank in connection with this Agreement and the other Warehouse Documents and the transactions contemplated hereby and thereby, including, information with respect to Seller, each Obligated Party and each Mortgage Loan in which Bank has purchased a Participation Interest.

10.9 **Invalidity**. In the event that any one or more of the provisions contained in this Agreement or any other Warehouse Document, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement or the other Warehouse Documents.

10.10 **Survival**. All covenants, agreements, representations and warranties made herein and in any other Warehouse Document shall continue in full force and effect as long as Bank has the right to purchase Participation Interests hereunder and until all obligations to Bank hereunder and thereunder have been fully satisfied and discharged. Without limiting the generality of the foregoing, termination of this Agreement by either party pursuant to the terms of this Agreement shall not relieve Seller of: (a) its duties, obligations, representations, warranties, covenants, agreements or indemnities which accrued under this Agreement prior to the Advance Request Termination Date or the Agreement Termination Date; or (b) performance of its duties and obligations hereunder so long as there is any Participated Mortgage Loan which does not constitute a Retired Participated Mortgage Loan.

10.11 **Successors and Assigns**. All covenants and agreements contained by or on behalf of Seller in this Agreement or any Warehouse Document shall bind Seller's successors and assigns and shall inure to the benefit of Bank and its successors and assigns. Seller shall not, however, have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of Bank, which consent may be withheld by Bank for any reason.

10.12 **Renewal**. If, as of the Effective Date, Bank holds any outstanding undivided percentage ownership interests (each an "Existing Participation Interest") in any Mortgage Loan purchased by Bank from Seller pursuant to a written mortgage warehouse agreement or similar written agreement executed by Bank and Seller prior to the Effective Date (as amended or modified from time to time, the

"Existing Warehouse Agreement"), then, as of the Effective Date, unless expressly agreed to otherwise by Seller and Bank in writing after the date of the Existing Warehouse Agreement: (a) Seller shall not have any rights under the Existing Warehouse Agreement to request Bank to purchase additional undivided percentage ownership interests in Mortgage Loans, and any and all such requests and purchases on or after the Effective Date shall be governed by the terms and conditions of this Agreement; (b) any and all Existing Participation Interests shall continue to be subject to the terms and conditions of the Existing Warehouse Agreement; (c) the Existing Warehouse Agreement shall automatically terminate and cease to be in force and effect (except with respect to the provisions of the Existing Warehouse Agreement which expressly survive termination) without any action or notice upon such time as (i) pursuant to the terms and conditions of the Existing Warehouse Agreement, with respect to each Mortgage Loan in which Bank purchased an Existing Participation Interest (A) such Mortgage Loan has been sold in its entirety and the full amount of the proceeds of such sale have been received and applied by Bank thereunder or (B) the Existing Participation Interest in such Mortgage Loan has been repurchased in its entirety by Seller and the full amount of the proceeds of such repurchase have been received and applied by Bank thereunder, (ii) Bank has received full and indefeasible payment of all amounts due and payable to Bank pursuant to the Existing Warehouse Agreement, and (iii) Bank has remitted to Seller all sums, if any, required by the Existing Warehouse Agreement to be remitted by Bank to Seller; and (d) the Maximum Participation Amount shall be reduced by the sum, as such sum may vary from time to time, of (i) the Outstanding Participation Balance calculated with respect to the outstanding Existing Participation Interests plus (ii) all other amounts due and payable to Bank pursuant to the Existing Warehouse Agreement. The terms of this Section supersede and modify any and all inconsistent provisions in any Existing Warehouse Agreement.

10.13 **Bank's Consent or Approval**. Except where otherwise expressly provided in this Agreement or the other Warehouse Documents, in any instance under this Agreement or the other Warehouse Documents where the approval, consent or the exercise of judgment of Bank is required: (a) the granting or denial of such approval or consent and the exercise of such judgment shall be (i) within the sole and absolute discretion of Bank and (ii) deemed to have been given only by a specific writing intended for that purpose and executed by Bank; and (b) in order to be effective, such approval, consent or exercise of judgment must be given by Bank prior to the applicable action to be taken by Seller which requires Bank's approval, consent or exercise of judgment, unless otherwise agreed to in writing by Bank. Each provision for consent, approval, inspection, review, or verification by Bank is for Bank's own purposes and benefit only.

10.14 **Cumulative Rights**. The rights and remedies of Bank under this Agreement and any other Warehouse Document shall be cumulative, and shall be in addition to any rights and remedies of Bank at law or in equity.

10.15 **Acceptance of Agreement in Texas; Governing Law**. Seller has signed this Agreement and submits it to Bank for acceptance at Bank's offices in Richardson, Collin County, Texas. Seller and Bank shall make all payments and perform all other obligations arising hereunder at Collin County, Texas, and this Agreement is made and entered into at Collin County, Texas. This Agreement and all of the terms and conditions hereof and the rights of the parties hereto shall be governed by and interpreted in accordance with the Laws of the State of Texas and venue for any legal action brought hereunder shall lie in Collin County, Texas or Dallas County, Texas.

10.16 **Seller's Understanding**. Seller has read this Agreement and has had the opportunity to seek and/or receive counsel from an attorney of Seller's choice as to the effects hereof.

10.17 **Nature of Transactions**.

(a) The relationship established by this Agreement and the other Warehouse Documents between Bank and Seller is that of a seller and purchaser of Participation Interests in Mortgage Loans, and not that of a lender and borrower. Subject to Section 10.17(b), it is the intention of Bank and Seller that: (i) the purchase and sale of each Participation Interest hereunder shall be treated and construed as a sale by Seller to Bank, and the purchase by Bank from Seller, of a certain undivided percentage ownership interest in the related Mortgage Loan and the related Mortgage Loan Documents; and (ii) each sale of a Participation Interest by Seller to Bank, and each purchase of a Participation Interest by Bank from Seller, is a sale of an undivided interest in a promissory note to Bank, and that pursuant to Section 9.109 of the UCC of the State of Texas, Bank and Seller's characterization of each such sale and purchase of a Participation Interest as a purchase and sale of such Participation Interest shall be conclusive that (A) the transaction is a sale and is not a secured transaction and (B) legal and equitable title has passed to Bank in the Mortgage Loan and Mortgage Loan Documents in which Bank acquired such Participation Interest.

(b) Neither Party has made or hereby makes any representations or warranties to the other Party, and hereby disclaims any such representations or warranties, regarding the accounting or tax treatment to be applied to any Participation Interest (including whether any such Participation Interest qualifies for "sale" treatment under any applicable accounting rules, regulations or standards). Each Party hereby agrees that it has and will make its own independent determination regarding the accounting and tax treatment to be applied to each Participation Interest, and has not relied upon the other Party in any manner in making such determination. The accounting or tax treatment applied by any Party with respect to any Participation Interest shall not be binding upon the other Party, shall not be used by the other Party in any manner inconsistent with, and shall not affect, the Parties' intent hereunder that any and all transaction pursuant to which Bank pays a Purchase Price to Seller is for a sale by Seller to Bank, and the purchase by Bank from Seller, of a certain undivided percentage ownership interest in the related Mortgage Loan and Mortgage Loan Documents and that legal and equitable title has passed to Bank in the Mortgage Loan in which Bank acquired such Participation Interest.

(c) If any court of competent jurisdiction shall deem any transaction involving Bank, Seller or any Participation Interest governed by this Agreement to be a loan, extension of credit or a secured financing, or if any court of competent jurisdiction shall determine that any purported Participation Interest in any purported Participated Mortgage Loan (or any portion thereof) is the property of Seller or shall otherwise not have been sold by Seller to, and purchased by, Bank, as contemplated herein, then notwithstanding anything herein or in any other Warehouse Document to the contrary: (i) as of the Effective Date, Bank shall have (and Seller shall have been deemed to have pledged, assigned and granted to Bank) a first priority security interest in and to the Collateral to secure the prompt and complete payment and performance of any and all of Seller's indebtedness and obligations to Bank under this Agreement and the other Warehouse Documents; and (ii) any and all amounts received by Bank with respect to any Participated Mortgage Loan may be applied in such order and priority as Bank may determine. For this purpose, this Agreement shall constitute a security agreement in accordance with the UCC, and Bank shall have all the rights of a secured creditor with respect to such security.

10.18 **Repurchase Agreement**. It is expressly stipulated to be the intent of Bank and Seller, and understood and agreed by Bank and Seller, that (a) this Agreement constitutes a "repurchase agreement" under Section 101(47) of the Bankruptcy Code and (b) pursuant to Sections 362(b), 555 and 559 of the Bankruptcy Code, the rights of Bank under this Agreement related to the sale and repurchase of Mortgage Loans (including, the rights of Bank hereunder, upon the occurrence of an Event of Default, to liquidate and/or foreclose on the Mortgage Loans in which it holds Participation Interests) shall not be stayed, avoided or otherwise limited by the operation of any provision of the Bankruptcy Code.

10.19 **Usury Savings Provision**. It is expressly stipulated to be the intent of Bank and Seller, and understood and agreed by Bank and Seller, that this Agreement: (a) does not represent a loan from Bank to Seller; and (b) allows Bank to purchase the Participation Interests for its own account and for a short term investment. If, notwithstanding the foregoing or the terms of this Agreement, a court of competent jurisdiction establishes a loan or extension of credit within this Agreement from Bank to Seller, then the parties to this Agreement hereby understand, acknowledge and agree that in such event: (a) Seller shall be the underlying obligor of that loan or extension of credit established by such court of competent jurisdiction; (b) Seller is utilizing the proceeds of that loan or extension of credit established by such court of competent jurisdiction for business, commercial, investment, or similar purposes; and (c) Seller has determined that it is beneficial to use any and all proceeds of that loan or extension of credit established by such court of competent jurisdiction to establish collateral for that loan or extension of credit established by such court of competent jurisdiction by: (i) making deposits at Bank; (ii) purchasing certificates of deposit from Bank; and/or (iii) establishing other accounts at Bank. Furthermore, it is Bank's and Seller's intention and agreement that if a court of competent jurisdiction establishes a loan or extension of credit from Bank to Seller under this Agreement, then any proceeds of that loan or extension of credit established by such court of competent jurisdiction deposited with Bank as additional collateral for that loan or extension of credit: (a) shall be considered a compensating balance under and pursuant to Section 276.003 of the Texas Finance Code; and (b) shall not be considered a reduction in the amount of the proceeds of that loan and/or extension of credit from Bank to Seller. Additionally, it is the stipulated, understood and agreed to be the intent of Bank and Seller that this Agreement shall at all times comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on the Indebtedness (as hereinafter defined), if any, or applicable United States federal law to the extent that such law permits Bank to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law. For purposes of this provision, "Indebtedness" shall mean all indebtedness, if any, evidenced, referenced, described, or established by a court of competent jurisdiction under this Agreement, and all amounts payable in the performance of any covenant or obligation in any of the other documents or any other communication or writing by or between Bank and Seller related to the transaction or transactions that are the subject matter of this Agreement, or any part of such Indebtedness, if any. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, taken, reserved or received in respect of the Indebtedness, if any, including by reason of the acceleration of the maturity or the prepayment thereof, then it is Bank's and Seller's express intent that all amounts charged in excess of the Maximum Lawful Rate (as hereinafter defined), if any, shall be automatically canceled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Bank, if any, shall be credited on the principal balance of the Indebtedness, if any, or, if the Indebtedness, if any, has been or would thereby be paid in full, refunded to Seller, and the provisions of this Agreement and any underlying documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable laws, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if the Indebtedness has been paid in full before the end of the stated term hereof, then Bank and Seller agree that Bank shall, with reasonable promptness after Bank discovers or is advised by Seller that interest was received in an amount in excess of the Maximum Lawful Rate, either credit such excess interest against the Indebtedness then owing by Seller to Bank and/or refund such excess interest to Seller. If and to the extent Indebtedness is determined to exist by a court of competent jurisdiction, then Seller hereby agrees that as a condition precedent to any claim seeking usury penalties against Bank, Seller will provide written notice to Bank, advising Bank in reasonable detail of the nature and amount of the violation, and Bank shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Seller or crediting such excess interest against the Indebtedness, if any, then owing by Seller to

Bank. All sums contracted for, charged, taken, reserved or received by Bank for the use, forbearance or detention of Indebtedness, if any, shall, to the extent permitted by applicable law, be amortized, prorated, allocated or spread, using the actuarial method, throughout the stated term of this Agreement (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Indebtedness, if any, does not exceed the Maximum Lawful Rate from time to time in effect and applicable to the Indebtedness, if any, for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving tri-party accounts) apply to this Agreement or any other part of the Indebtedness, if any. If and to the extent any Indebtedness is determined to exist under this Agreement by a court of competent jurisdiction, then notwithstanding anything to the contrary contained herein or in any of underlying documents referenced herein, it is not the intention of Bank to accelerate the maturity of any interest, if any, that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration. If and to the extent any Indebtedness is determined to exist under this Agreement by a court of competent jurisdiction, then the terms and provisions of this paragraph shall control and supersede every other term, covenant or provision contained herein, in any of the other underlying documents referenced within this Agreement or in any other document or instrument pertaining to the Indebtedness. As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved in accordance with the applicable Laws of the State of Texas (or applicable United States federal law to the extent that such law permits Bank to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all fees, charges and any other value whatsoever made in connection with the transaction evidenced by this Agreement. To the extent United States federal law permits contracting for, charging, taking, receiving or reserving a greater amount of interest than under Texas law, then such United States federal law will be relied upon instead of Texas law for the purpose of determining the Maximum Lawful Rate. Additionally, if and to the extent any Indebtedness is determined to exist under this Agreement by a court of competent jurisdiction, to the extent permitted by applicable law now or hereafter in effect, Bank may, at its option and from time to time utilize any other method of establishing the Maximum Lawful Rate under Texas law or under other applicable law by giving notice, if required, to Seller as provided by such applicable law now or hereafter in effect.

10.20 **WAIVER OF JURY TRIAL**. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SELLER AND BANK HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER WAREHOUSE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ACTIONS OF BANK IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF.

10.21 **Joint and Several Liability**. The liability of all Persons obligated to Bank in any manner under this Agreement shall be joint and several. If more than one Person shall execute this Agreement as "Seller", then the term "Seller" as used herein and in the other Warehouse Documents shall refer both to each such Person individually and to all such Persons collectively.

10.22 **Electronic Processing**.

(a) Seller acknowledges that Bank may employ one or more electronic processes and systems with respect to the transactions contemplated by this Agreement, including the purchase of Participation Interests in Mortgage Loans and the sale of such Participation Interests to Take- Out Purchasers. Seller shall cooperate with Bank with respect to the implementation of any such electronic document processes or systems.

(b) With respect to the Mortgage Loan Documents for Participated Mortgage Loans, Seller may use electronic services, process and systems for the execution thereof only with the Bank's prior written consent, which approval may be conditioned by Bank upon, among other things, the following: (i) full, unrestricted access by Bank to all electronic reports, records and data related thereto; (ii) cooperation on the part of Seller with respect to access and turnover of such reports, records and data to Bank; and (iii) recognition agreements with third party service providers and vendors, in form and content satisfactory to Bank.

10.23 **Electronic Transmission of Data**. Bank and Seller agree that certain data related to Mortgage Loans (including confidential information, documents, applications and reports) and the transactions contemplated by this Agreement may be transmitted electronically, including over the Internet and/or through the use of the Electronic Platform. This data may be transmitted to, received from or circulated among agents and representatives of Seller and/or Bank and their affiliates, and other Persons involved with the subject matter of this Agreement. Seller acknowledges and agrees that: (a) there are risks associated with the use of electronic transmission and that Bank does not control the method of transmittal or service providers; (b) Bank has no obligation or responsibility whatsoever and assumes no duty or obligation for the security, receipt, or third party interception of such transmissions, and (c) **SELLER WILL RELEASE, HOLD HARMLESS AND INDEMNIFY EACH INDEMNIFIED PARTY FROM AND AGAINST ANY AND ALL LOSSES WHICH ARE RELATED TO THE ELECTRONIC TRANSMITTAL OF DATA, SUBJECT TO THE LIMITATIONS OF SELLER'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT.** Notwithstanding anything in this Section to the contrary, the provisions of this Section shall not be deemed to limit or release Bank from its obligations under Section 10.26, Confidentiality.

10.24 **Force Majeure**. Bank shall not be responsible for any failure or delay of Bank in its performance hereunder by reason of fire, flood or other acts of God, lockout, acts of public enemy, riot, insurrection or any interruption, failure or defects in Internet, telephone or other interconnection service or in electronic or mechanical equipment or any other cause beyond the reasonable control Bank ("Force Majeure Event"). During the duration of any Force Majeure Event, Bank will use commercially reasonable efforts to avoid or remove such Force Majeure Event and will take reasonable steps to resume its performance under this Agreement with the least possible delay.

10.25 **Limitation of Liability**. Neither Bank nor any other Indemnified Party shall have any liability with respect to, and Seller hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, consequential or punitive damages suffered or incurred by Seller in connection with, arising out of, or in any way related to, this Agreement or any of the other Warehouse Document, or any of the transactions contemplated by this Agreement or any of the Warehouse Document.

10.26 **Confidentiality**.

(a) The Parties hereby acknowledge and agree that all information provided on, before, or after the Effective Date by or on behalf of one Party or its affiliates, officers, directors, employees, representatives, agents or advisors (collectively, the "Disclosing Party") to the other Party or its Permitted Recipients (collectively, the "Receiving Party") in connection with any Warehouse Document or the transactions contemplated hereby which the Receiving Party knows or reasonably should know is the confidential or proprietary information of the Disclosing Party, including (i) all information relating to the business, operations and affairs of the Disclosing Party (including internal operating procedures, methodologies, strategies, trade secrets, sales data, vendor data and customer lists, financial plans, projections and reports), (ii) all property owned, licensed and/or developed by or for the Disclosing Party or its affiliates, such as computer

systems, programs, software and devices (including information about the design, methodology and documentation therefor), (iii) the terms of this Agreement and the other Warehouse Documents (including the outline of the proposed terms of the transactions contemplated hereby contained in any and all term sheets provided by Bank to Seller); and (iv) all "nonpublic personal information" of "customers" and "consumers" (as each is defined in the GLB Act) (collectively "Confidential Information"), shall be kept confidential by the Receiving Party and shall not be divulged by the Receiving Party to any Person without the prior written consent of the Disclosing Party except to the extent set forth in Section 10.26(b). Notwithstanding anything herein to the contrary, Confidential Information shall not include information of the Disclosing Party that: (i) is expressly permitted to be disclosed by the Receiving Party pursuant to and in accordance with any other provisions of this Agreement or the other Warehouse Documents; (ii) is or becomes generally available to the public (through no action or inaction in breach of this Agreement by the Receiving Party); (iii) was in the Receiving Party's possession or known by the Receiving Party without obligations of confidentiality owed to the Disclosing Party prior to receipt from the Disclosing Party; (iii) was rightfully disclosed to the Receiving Party by a third-party without obligations of confidentiality owed to the Disclosing Party, or (iv) was independently developed by the Receiving Party without use or access to the Confidential Information. Each Party agrees to take reasonable precautions to protect Confidential Information from disclosure in violation of this Section.

(b) Any Receiving Party shall be permitted to disclose, on a confidential basis, Confidential Information to: (i) its officers, directors, employees, legal counsel and auditors ("Permitted Recipients"), but only to the extent necessary in connection with the transactions contemplated hereby; (ii) taxing authorities and of Governmental Authorities, but only to the extent necessary to comply with applicable Law; (iii) any bank examiner, auditor or regulatory authority or supervisory authority that has jurisdiction over such Receiving Party or otherwise in connection with any audit or examination of such Receiving Party by any such bank examiner, auditor or authority. Any Receiving Party may disclose Confidential Information in connection with any litigation or other legal proceeding if required under applicable Law, and subject to the following: (i) to the extent permitted by applicable Law, the Receiving Party shall promptly notify the Disclosing Party in writing of the litigation or other proceeding involving the potential disclosure of Confidential Information, whereupon the Disclosing Party may seek an appropriate protective order or other relief (at the Disclosing Party's sole expense) and the Receiving Party shall cooperate with the Disclosing Party (at the Disclosing Party's sole expense) to obtain such order or relief; and (ii) Receiving Party shall exercise reasonable efforts to limit the disclosure to only that portion of the Confidential Information which is necessary to comply with applicable Law. In addition, Bank may disclose Confidential Information: (i) to an actual Participant or to a potential Participant pursuant to the provisions of Section 10.8; (ii) if an Event of Default has occurred and Bank has determined that the disclosure of Confidential Information is necessary or desirable in connection with the marketing and sale of Participated Mortgage Loans or the enforcement or exercise of Bank's rights or remedies under the Warehouse Documents.

(c) The Parties understand that the Confidential Information may contain "nonpublic personal information", as that term is defined in Section 509(4) of the Gramm-Leach-Bliley Act (the "GLB Act"), and each Party agrees to maintain such nonpublic personal information that it receives hereunder in accordance with the GLB Act and other applicable privacy and data protection Laws binding upon such Party. Each Party shall implement such physical and other security measures as shall be necessary to: (i) ensure the security and confidentiality of the "nonpublic personal information" of "customers" and "consumers" (as those terms are defined in the GLB Act); (ii) protect against any threats or hazards to the security and integrity of such nonpublic personal information; and (iii) protect against any unauthorized access to or use of such

nonpublic personal information. Each Party shall, at a minimum establish and maintain such data security program as is necessary to meet the objectives of the Interagency Guidelines Establishing Standards for Safeguarding Customer Information as set forth in the Code of Federal Regulations at 12 C.F.R. Parts 30, 168, 208, 211, 225, 263, 308 and 364. Upon request, each Party will provide evidence reasonably satisfactory to allow the other Party to confirm that the providing Party has satisfied its obligations as required under this Section. Each Party shall notify the other Party immediately following discovery of any breach or compromise of the security, confidentiality or integrity of nonpublic personal information of customers and consumers related to the Confidential Information.

10.27 **Other Facilities**.

(a) Any default or breach under any present or future indebtedness, obligation or liability of Seller to Bank (other than any obligations or liabilities of Seller to Bank under the Warehouse Documents) (collectively, the "Other Obligations") shall also constitute an Event of Default under the Warehouse Documents. Any Event of Default under any Warehouse Document shall also constitute a default and breach under the documents evidencing, securing or otherwise governing or pertaining to the Other Obligations.

(b) Any and all Liens at any time securing the Other Obligations shall also secure any and all obligations and liabilities of Seller under the Warehouse Documents. Any and all Liens at any time securing the obligations and liabilities of Seller under the Warehouse Documents shall also secure the Other Obligations.

(c) The documents evidencing, securing or otherwise governing or pertaining to the Other Obligations in effect as of the date hereof are hereby modified and amended in accordance with the provisions of this Section.

10.28 **Inconsistencies**. To the extent of any conflict between the provisions of this Agreement and the provisions of any other Warehouse Document, the provisions of this Agreement shall govern and control. To the extent of any conflict between the provisions of any Warehouse Document and the provisions of the Warehouse Program Guide, subject to Section 5.13(a), the provisions of the Warehouse Program Guide shall govern and control.

10.29 **Counterparts**. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all Persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

10.30 **ENTIRE AGREEMENT**. THIS WRITTEN AGREEMENT AND THE OTHER WAREHOUSE DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature Pages Follow]

EXECUTED by Seller to be effective as of the Effective Date.

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

Seller's Contact Information for Notices:

REDFIN MORTGAGE, LLC
1099 Stewart Street, Suite 600
SEATTLE, WA 98101
Attention: GLENN KELMAN
Phone: [omitted]
E-mail: GLENN.KELMAN@REDFIN.COM

With a copy to:

REDFIN Corporation
1099 Stewart Street, Suite 600
Seattle, WA 98101
Attention: General Counsel

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

[Bank's Signature Page Follows]

ACCEPTED AND AGREED to by Bank at Richardson, Collin County, Texas, and executed to be effective as the Effective Date.

BANK:

TEXAS CAPITAL BANK,
NATIONAL ASSOCIATION

By: /s/ Heather Crawford
Name: Heather Crawford
Title: Vice President

EXHIBIT LIST

Exhibit A — Power of Attorney
Exhibit B — Pledge Agreement
Exhibit C — Guaranty Agreement
Exhibit D — UCC-1 Financing Statement
Exhibit E — Financial Covenants Addendum
Exhibit F — Supplemental Provisions Addendum
Exhibit G — List of Current Warehouse Facilities
Exhibit H — List of Current Affiliate Escrow Agents
Exhibit I — Blanket Assignment

EXHIBIT A
(TO MORTGAGE WAREHOUSE AGREEMENT)

POWER OF ATTORNEY

[Follows This Cover Page]

LIMITED POWER OF ATTORNEY

Pursuant to that certain Mortgage Warehouse Agreement (as amended or modified from time to time, the "Warehouse Agreement") dated DECEMBER 21, 2016 ("Effective Date"), executed by the undersigned (the undersigned are each individually and collectively referred to herein as "Seller") and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank"), relating to Bank's discretionary purchase of Participation Interests in Mortgage Loans originated by Seller, Seller hereby irrevocably appoints Bank and each officer of Bank as its attorney-in-fact, with full power of substitution, for, on behalf of, and in the name of Seller, to: (a) endorse and deliver to any Person any notes, checks, drafts, money orders or other instruments of payment coming into Bank's possession and representing any payment made on or with respect to any Participated Mortgage Loan or otherwise received in connection with any Participated Mortgage Loan (including the proceeds from the sale of any such Participated Mortgage Loan received from a Take-Out Purchaser), and any collateral and any Take-Out Purchase Agreement therefor; (b) prepare, complete, execute, deliver and record, and do anything else necessary or desirable to effect, (i) any endorsement to Bank, any Take-Out Purchaser or any other Person, of any Mortgage Note evidencing a Participated Mortgage Loan, or (ii) any transfer, assignment or conveyance to Bank, any Take-Out Purchaser or any other Person, of any or all rights, titles and interest in and to any Mortgage Note and the Mortgage Loan Documents related thereto in which Bank has purchased a Participation Interest (including servicing rights); (c) do anything necessary or desirable to effect sale, transfer, assignment or conveyance, of any or all rights, titles and interest of Seller and/or Bank in and to any Participated Mortgage Loan and the related Mortgage Loan Documents related thereto to any Take-Out Purchaser or any other Person; and (d) commence, prosecute, settle, discontinue, defend, or otherwise dispose of any claim relating to any Take-Out Purchase Agreement or any Participated Mortgage Loan. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Warehouse Agreement.

The powers and authorities herein conferred on Bank may be exercised by Bank through any Person who, at the time of the execution of a particular instrument, is an officer of Bank. The limited power of attorney conferred herein is granted for a valuable consideration and is coupled with an interest and, therefore, is irrevocable so long as any duties or obligations to Bank under the Warehouse Agreement or the other Warehouse Documents, or any part thereof, shall remain unpaid or otherwise unsatisfied, and so long as Bank may elect to purchase Participation Interests under the Warehouse Agreement.

This appointment shall be construed in accordance with the Laws of the State of Texas, and venue for any proceeding hereunder shall lie exclusively in Collin County, Texas or Dallas County, Texas.

Dated effective as of the Effective Date.

SELLER:

REDFIN MORTGAGE, LLC

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

EXHIBIT B
(TO MORTGAGE WAREHOUSE AGREEMENT)

PLEDGE AGREEMENT

[Follows This Cover Page]

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Pledge Agreement") is executed effective as of DECEMBER 21, 2016 ("Effective Date"), by REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY (the foregoing are each individually and collectively referred to herein as "Seller"), and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

A. Pursuant to that certain Mortgage Warehouse Agreement dated DECEMBER 21, 2016, executed by Bank and Seller, as may have been amended or modified from time to time (the "Warehouse Agreement"), Bank has agreed, on a discretionary basis, to purchase Participation Interests in various Mortgage Loans subject to the terms and conditions of the Warehouse Agreement.

B. As partial consideration for Bank entering into the Warehouse Agreement and/or for Bank to now or hereafter elect to purchase Participation Interests subject to the terms and conditions of the Warehouse Agreement, Seller has agreed, pursuant to the terms and conditions of this Pledge Agreement, to assign and pledge to Bank, and grant Bank a security interest in and to, the Collateral described herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the matters set forth above and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Warehouse Agreement. In addition, as used in this Pledge Agreement, the following terms shall have the meanings set forth below:

"Collateral" shall mean: (a) all rights, titles and interest of Seller in and to each depository and other account established by Seller at Bank, and all funds therein contained and all earnings thereon and proceeds thereof, including, without limitation, the Accounts more particularly described on Schedule 1 attached hereto (collectively, the "Accounts"); and (b) any and all other property included in the definition of "Collateral" as such term is defined in the Warehouse Agreement.

"Event of Default" shall mean any "Event of Default" as such term is defined in the Warehouse Agreement or any other Warehouse Document.

"Secured Obligations" shall mean the Repurchase/Sale Obligations and any and all other indebtedness, obligations and liabilities of Seller to Bank of any kind or character under the Warehouse Agreement or any other Warehouse Document, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several or joint and several.

2. Seller hereby pledges and assigns and grants to Bank a continuing security interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations.

3. If any Event of Default should occur, then Bank may enforce this Pledge Agreement in any manner provided hereunder or at Law or in equity or otherwise. Without limiting the generality of the foregoing, if an Event of Default shall have occurred, then Bank may, at its discretion, apply or use any cash held in the Accounts (to the extent of the withdraw value of each Account), and any cash proceeds received by Bank in respect of any sale or other disposition of, collection from, or other realization upon all or any part of the Collateral, towards the satisfaction of the Secured Obligations (provided that Seller shall continue to be liable for any unsatisfied portion of the Secured Obligations). Should an Event of Default occur, Bank may proceed against the Collateral without exhausting its remedies against any Person liable under or with respect to the Warehouse Agreement or any other Warehouse Document or against any other security therefor, whether in court, by foreclosure, by private sale or otherwise, at which Bank may be a purchaser, and without making any election.

4. Except for Liens in favor of Bank: (a) as of the Effective Date, no Lien exists on any of the Collateral; and (b) at all times on and after the Effective Date, Seller will not create, incur or suffer to exist any Lien on any of the Collateral.

5. Nothing in this Pledge Agreement shall be construed as requiring Bank to enforce this Pledge Agreement. Bank's failure to do so on one or more occasions shall not affect Bank's right so to do; nor will enforcement of this Pledge Agreement for less than the full value of any Account impair the effectiveness of this Pledge Agreement as to the remaining value thereof. Bank may elect to enforce its rights under the Warehouse Agreement or any other Warehouse Document without resort to the remedies provided in this Pledge Agreement.

6. From and after the occurrence of an Event of Default, Seller authorizes Bank, at Bank's option, to collect and receive any and all sums becoming due upon the Collateral, such sums to be held by Bank without liability for interest thereon and applied toward the Secured Obligations. Subject to the terms hereof and the Warehouse Agreement, Bank shall have the full control of each Account until it is released in accordance herewith. All interest, if any, earned on the Accounts prior to an Event of Default shall be paid to Seller.

7. Included within Bank's rights and remedies provided for herein is the right of Bank to sell the Collateral at public or private sale to the highest bidder for cash pursuant to the requirements of the UCC. Notice of each such sale shall be provided, and such sale shall be conducted, by Bank in accordance with the requirements of the UCC. Bank shall transfer to the purchaser at such sale said Collateral, and the recitals in such transfer shall be prima facie evidence of the truth of the matters therein stated, and all prerequisites to such sale required hereunder and under the Laws of Texas shall be presumed to have been performed. The proceeds of the sale shall be applied as follows: (a) first, to Bank's reasonable expenses of the sale; (b) then, towards the satisfaction of the Secured Obligations and/or any other amounts secured hereby; and (c) the balance, if any, including any surplus, to Seller. Bank shall have the right to purchase at such public sale, being the highest bidder thereof.

8. Bank, in addition to the rights and remedies provided for in the preceding paragraphs, shall have all other rights and remedies of a secured party under the UCC, and shall have the common law rights of set off and banker's lien, and Bank shall be entitled to avail itself of all such other rights and remedies as may be now or hereafter existing at Law or in equity for the performance of the Secured Obligations, and the foreclosure of the security interest created hereby and the resort to any remedy provided hereunder or provided by the UCC, or by any other Law of the State of Texas, shall not prevent the concurrent exercise or enforcement of any other appropriate remedy or remedies.

9. The requirement of reasonable notice to Seller of the time and place of any public sale of the Collateral, or of the time after which any private sale or any other intended disposition thereof is to be made, shall be met if such notice is mailed, postage prepaid, to Seller at the notice address set forth in the Warehouse Agreement, at least ten (10) days before the date of any public sale or at least ten (10) days before the time after which any private sale or other disposition is to be made.

10. Nothing in the foregoing shall be construed as requiring Bank to enforce this security or to resort to the security hereof in any particular manner excluding other rights or remedies. Bank's failure to enforce this security in any fashion on one or more occasions shall not affect its right so to do; nor will enforcement hereof for less than the full extent or value of the Account impair the effectiveness of the security hereof as to any remaining value or interest thereof. Bank may proceed first to enforce the Secured Obligations without resort to the remedies provided in this Pledge Agreement; in such event the terms of the Warehouse Agreement and the other Warehouse Documents alone shall be controlling and no provisions hereof shall be construed as requiring Bank to perform any condition precedent to the enforcement of such duties and obligations and the security therefor against any and all Persons liable therefor nor prevent the continued holding of the Accounts or other Collateral and the collection of sums thereunder for proper application to the duties and obligations of the Warehouse Agreement.

11. Bank may remedy any Event of Default, without waiving the same, or may waive any Event of Default without waiving any prior or subsequent Event of Default.

12. The security interest herein created shall not be affected by or affect any other security taken for the performance of the duties or obligations under the Warehouse Agreement hereby secured, or any part thereof, and any extensions may be made for the performance of such duties and obligations without affecting the priority of this Pledge Agreement or the validity thereof. Bank and its successors shall not be limited by any election of remedies if it chooses to foreclose this security interest by suit. The right to sell under the terms hereof shall also exist cumulative with said suit and one method shall not bar the other, but both may be exercised at the same or different times; provided; however that one shall not be a defense to the other.

13. Seller represents to and covenants and agrees with Bank that Seller will at any time or from time to time, upon the written request of Bank, execute and deliver such further documents and do such other acts and things as Bank may specify for the purpose of further assurance and of effecting the purposes of this Pledge Agreement, and otherwise do any and all things and acts whatsoever which Bank may request in order to perfect this Pledge Agreement and the security interests created thereby.

14. The Law governing this Pledge Agreement shall be the UCC and other applicable Laws of the State of Texas, and this Pledge Agreement shall be performable in Collin County, Texas. Except as otherwise provided herein, all terms used herein which, are defined in the Texas Business and Commerce Code shall have the same meaning herein as in said Code.

15. If any clause or provision of this Pledge Agreement is illegal, invalid, or unenforceable, under present or future Laws effective during the term hereof, then it is the intention of the parties hereto that the remainder of this Pledge Agreement shall not be affected thereby. It is also the intention of the parties hereto that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this Pledge Agreement a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

16. The Accounts are delivered herewith or are authorized to be held by Bank.

17. The term of this Pledge Agreement shall begin on the Effective Date and shall expire upon the date on which: (a) the Warehouse Agreement has terminated in accordance with its terms; and (b) all of the Secured Obligations, and all other indebtedness, obligations and liabilities (if any) secured hereby, have been fully satisfied, paid and performed, as confirmed in writing by Bank on or after the termination date of the Warehouse Agreement. This Pledge Agreement shall be binding upon Seller and inure to the benefit of Bank and its successors and assigns. Seller may not transfer or assign its duties or obligations hereunder without the prior written consent of Bank.

18. The liability of all Persons obligated to Bank in any manner under this Pledge Agreement shall be joint and several. If more than one Person shall execute this Pledge Agreement as "Seller", then the term "Seller" as used herein shall refer both to each such Person individually and to all such Persons collectively.

19. THIS WRITTEN AGREEMENT AND THE OTHER WAREHOUSE DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature Page Follows]

EXECUTED by Seller to be effective as of the Effective Date.

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

AGREED TO AND ACCEPTED BY BANK AT RICHARDSON, COLLIN COUNTY, TEXAS, AS OF THE EFFECTIVE DATE:

TEXAS CAPITAL BANK,
NATIONAL ASSOCIATION

By: /s/ Heather Crawford
Name: Heather Crawford
Title: Vice President

SCHEDULE 1
(TO PLEDGE AGREEMENT)

LIST OF ACCOUNTS

Account Name	Account Number
Pledged Account	[omitted]
Participation Account	[omitted]
Remittance Account	[omitted]

EXHIBIT C
(TO MORTGAGE WAREHOUSE AGREEMENT)

GUARANTY AGREEMENT

[Follows This Cover Page]

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of DECEMBER 21, 2016 ("Effective Date"), by the undersigned Guarantor (whose address for notice purposes is set forth on the signature page of this Guaranty), for the benefit of Bank.

1. **Definitions**. Capitalized terms used in this Guaranty, but not otherwise defined herein, shall have the meanings given to such terms in the Warehouse Agreement. As used in this Guaranty, the following terms have the meanings indicated below:

"Affiliate" means, as to any Person, any other Person: (a) that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such Person; (b) that directly or indirectly beneficially owns or holds ten percent (10.0%) or more of any class of voting stock of such Person; or (c) that controls ten percent (10.0%) or more of the voting stock of which is directly or indirectly beneficially owned or held by the Person in question. As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause direction of the management and policies of a Person, whether through the ownership of voting securities, by control, or otherwise; provided, however, in no event shall Bank be deemed an Affiliate of Seller.

"Bank" means TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, and its successors and assigns, whose address for notice purposes is the following:

TEXAS CAPITAL BANK, N.A.
2350 Lakeside Boulevard, Suite 310
Richardson, Texas 75082
Attention: Bruce Karda
E-mail: bruce.karda@texascapitalbank.com

"Debtor Relief Laws" means Title 11 of the United States Code, as now or hereafter in effect, or any other applicable law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors.

"Guaranteed Obligations" means: (a) any and all indebtedness, obligations and liabilities of Seller to Bank to repurchase any Participated Mortgage Loans under Section 4.8 of the Warehouse Agreement; (b) any and all accrued but unpaid interest on any of the indebtedness, obligations and liabilities described in (a) above, and including any and all pre-and post-maturity interest thereon, including, without limitation, post-petition interest and expenses (including attorneys' fees), if Seller is the debtor in a bankruptcy proceeding under the Debtor Relief Laws, whether or not allowed under any Debtor Relief Law; (c) any and all obligations of Seller and other Persons to Bank under any documents evidencing, securing, governing and/or pertaining to all or any part of the indebtedness, obligations and liabilities described in (a) and (b) above; (d) any and all costs and expenses incurred by Bank in connection with the collection and administration of all or any part of the indebtedness, obligations, and liabilities described in (a), (b) and (c) above or the protection or preservation of, or realization upon, the collateral securing all or any part of such indebtedness, obligations and liabilities, including, without limitation, all reasonable attorneys' fees; and (e) any and all renewals, extensions, increases, decreases, modifications and rearrangements of the indebtedness, obligations, and liabilities described in (a), (b), (c) and (d) above.

"Guarantor" means the undersigned Person executing this Guaranty as Guarantor, and such Person's heirs, personal representatives, successors and assigns. If the term "Guarantor" includes more than one Person, then the term "Guarantor" as used herein and all riders hereto shall refer both to each such Person individually and to all such Persons collectively.

"Person" means any individual, corporation, partnership, joint venture, limited liability company or partnership (general or limited), association, trust, unincorporated association, joint stock company, government, municipality, political subdivision or agency, or other entity.

"Seller" means REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY and each such Person's heirs, personal representatives, successors and assigns. If the term "Seller" includes more than one Person, then the term "Seller" as used herein shall refer both to each such Person individually and to all such Persons collectively.

"Warehouse Agreement" means that certain Mortgage Warehouse Agreement dated DECEMBER 21, 2016, executed by Seller and Bank, as amended or modified from time to time.

2. **Payment**. Guarantor is a beneficial owner of Seller and/or an Affiliate of Seller and the execution of the Warehouse Agreement and/or the discretionary purchase by Bank of Participation Interests in Mortgage Loans subject to the terms and conditions of the Warehouse Agreement is a substantial and direct benefit to Guarantor. As an inducement to Bank to extend financial accommodations to Seller, Guarantor, for value received, jointly and severally, does hereby unconditionally and absolutely guarantee the prompt and full payment and performance of the Guaranteed Obligations when due or declared to be due and at all times thereafter. Guarantor shall promptly pay the amount due thereon to Bank without notice or demand, of any kind or nature, in lawful money of the United States of America.

3. **Character of Obligations**. This is an absolute, continuing and unconditional guaranty of payment and not of collection and if at any time or from time to time there are no outstanding Guaranteed Obligations, the obligations of Guarantor with respect to any and all Guaranteed Obligations incurred thereafter shall not be affected. All Guaranteed Obligations heretofore, concurrently herewith or hereafter made by Bank to Seller shall be conclusively presumed to have been made or acquired in acceptance hereof. Guarantor shall be liable, jointly and severally, with Seller and any other guarantor of all or any part of the Guaranteed Obligations. Bank shall be under no obligation to notify Guarantor of any advances made, credit extended, or discretionary purchase of any Participation Interest by Bank under the Warehouse Agreement or any other Warehouse Document.

4. **No Right of Revocation**. Guarantor understands and agrees that Guarantor may not revoke Guarantor's future obligations under this Guaranty at any time prior to the date (the "Guaranty Termination Date") on which: (a) the Warehouse Agreement has terminated in accordance with its terms; and (b) all duties and obligations of Seller and any other Person to Bank under the Warehouse Agreement and any other Warehouse Document (including Guarantor's obligations to Bank under this Guaranty) have been fully satisfied, paid and performed, as confirmed in writing by Bank on or after the termination date of the Warehouse Agreement. If Guarantor is an individual and dies, Guarantor's obligations under this Guaranty shall be binding on Guarantor's estate.

5. **Representations and Warranties**. Guarantor hereby represents and warrants the following to Bank:

(a) This Guaranty may reasonably be expected to benefit, directly or indirectly, Guarantor, and (i) if Guarantor is a partnership, the requisite number of its partners have determined that this Guaranty may reasonably be expected to benefit, directly or indirectly, Guarantor, or (ii) if Guarantor is a corporation, limited liability company or other entity, the Board of Directors or other governing body of Guarantor has determined that this Guaranty may reasonably be expected to benefit, directly or indirectly, Guarantor, and (iii) the value of the consideration received and to be received by Guarantor is reasonably worth at least as much as the liability and obligation of Guarantor hereunder, and such liability and obligation may reasonably be expected to benefit Guarantor directly or indirectly; and

(b) Guarantor has adequate means to obtain from Seller on a continuing basis information concerning the financial condition of Seller and Guarantor is not relying on Bank to provide such information to Guarantor either now or in the future; and

(c) Guarantor has the power and authority to execute, deliver and perform this Guaranty and any other agreements executed by Guarantor contemporaneously herewith, and the execution, delivery and performance of this Guaranty and any other agreements executed by Guarantor contemporaneously herewith do not and will not violate: (i) any agreement or instrument to which Guarantor is a party; (ii) any Law to which Guarantor is subject; or (iii) Guarantor's organizational documents; and

(d) Neither Bank nor any other Person has made any representation or warranty to Guarantor in order to induce Guarantor to execute this Guaranty; and

(e) The financial statements and other financial information regarding Guarantor heretofore and hereafter delivered to Bank are and shall be true and correct in all material respects and fairly present the financial position of Guarantor as of the dates thereof, and no material adverse change has occurred in the financial condition of Guarantor reflected in the financial statements and other financial information regarding Guarantor heretofore delivered to Bank since the date of the last statement thereof; and

(f) As of the date hereof, and after giving effect to this Guaranty and the obligations and liabilities evidenced hereby: (i) Guarantor is and will be solvent; (ii) the fair saleable value of Guarantor's assets exceeds and will continue to exceed its liabilities (both fixed and contingent); (iii) Guarantor is and will continue to be able to pay Guarantor's debts as they mature; and (iv) if Guarantor is not an individual, Guarantor has and will continue to have sufficient capital to carry on its business and all businesses in which it is about to engage; and

(g) Guarantor has received and reviewed a copy of the Warehouse Agreement and each other Warehouse Document.

6. **Covenants**. Guarantor hereby covenants and agrees with Bank as follows:

(a) Guarantor shall not, so long as Guarantor's obligations under this Guaranty continue, transfer or pledge any material portion of Guarantor's assets for less than full and adequate consideration; and

(b) Guarantor shall promptly furnish to Bank from time to time such financial statements and other financial information of Guarantor as Bank may reasonably require, in form and content satisfactory to Bank; provided, however, if, pursuant to any other Warehouse Document or any rider to this Guaranty, Guarantor is obligated to provide financial statements to Bank at specific times and in a specific format, those provisions shall control over this Section; and

(c) Guarantor shall promptly furnish to Bank such additional information concerning Guarantor as Bank may reasonably request; and

(d) Guarantor shall comply with all terms and provisions of the Warehouse Documents that apply to Guarantor; and

(e) Guarantor shall promptly inform Bank of: (i) any litigation or governmental investigation against Guarantor or affecting any security for all or any part of the Guaranteed Obligations or this Guaranty which, if determined adversely, might reasonably be expected to have a material adverse effect upon the financial condition of Guarantor or upon such security or might reasonably be expected to cause a default under any Warehouse Document; (ii) any claim or controversy which might reasonably be expected to become the subject of such litigation or governmental investigation; and (iii) any material adverse change in the financial condition of Guarantor.

7. **Consent and Waiver**.

(a) Guarantor waives: (i) promptness, diligence and notice of acceptance of this Guaranty and notice of the incurring of any obligation, indebtedness or liability to which this Guaranty applies or may apply and, except as expressly required by this Guaranty or any other Warehouse Document, waives presentment for payment, notice of nonpayment, protest, demand, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, diligence in enforcement and indulgences of every kind; and (ii) the taking of any other action by Bank, including, without limitation, giving any notice of default or any other notice to, or making any demand on, Seller, any other guarantor of all or any part of the Guaranteed Obligations or any other Person.

(b) Guarantor waives any rights Guarantor has or may hereafter acquire under, or any requirements imposed by: (i) Chapter 43 of the Texas Civil Practice and Remedies Code, as amended (except rights under Section 43.04); (ii) Section 17.001 of the Texas Civil Practice and Remedies Code, as amended; (iii) Rule 31 of the Texas Rules of Civil Procedure, as amended; and (iv) any and all rights under Sections 51.003, 51.004 and 51.005 of the Texas Property Code, as amended.

(c) Bank may at any time, without the consent of or notice to Guarantor, without incurring liability to Guarantor and without impairing, releasing, reducing or affecting the obligations of Guarantor hereunder: (i) change the manner, place or terms of payment or performance of all or any part of the Guaranteed Obligations, or renew, extend, modify, rearrange or alter all or any part of the Guaranteed Obligations; (ii) change the interest rate, if any, accruing on all or any part of the Guaranteed Obligations (including, without limitation, any periodic change in such interest rate that occurs because such Guaranteed Obligations accrues interest at a variable rate which may fluctuate from time to time); (iii) sell, exchange, release, surrender, subordinate, realize upon or otherwise deal with in any manner and in any order any collateral for all or any part of the Guaranteed Obligations or this Guaranty or setoff against all or any part of the Guaranteed Obligations; (iv) neglect, delay, omit, fail or refuse to take or prosecute any action for the collection of all or any part of the Guaranteed Obligations or this Guaranty or to take or prosecute any action in connection with any of the Warehouse Documents; (v) exercise or refrain from exercising any rights against Seller or others, or otherwise act or refrain from acting; (vi) settle or compromise all or any part of the Guaranteed Obligations and subordinate the payment of all or any part of the Guaranteed Obligations to the payment of any obligations, indebtedness or liabilities which may be due or become due to Bank or others; (vii) apply any deposit balance,

fund, payment, collections through process of Law or otherwise or other collateral of Seller to the satisfaction and liquidation of the indebtedness, duties or obligations of Seller to Bank, if any, not guaranteed under this Guaranty; and (viii) apply any sums paid to Bank by Guarantor, Seller or others to the Guaranteed Obligations in such order and manner as Bank, in its sole discretion, may determine.

(d) Should Bank seek to enforce the obligations of Guarantor hereunder by action in any court or otherwise, Guarantor waives any requirement, substantive or procedural, that: (i) Bank first enforce any rights or remedies against Seller or any other Person liable to Bank for all or any part of the Guaranteed Obligations, including, without limitation, that a judgment first be rendered against Seller or any other Person, or that Seller or any other Person should be joined in such cause; or (ii) Bank shall first enforce rights against any collateral which shall ever have been given to secure all or any part of the Guaranteed Obligations or this Guaranty. Such waiver shall be without prejudice to Bank's right, at its option, to proceed against Seller or any other Person, whether by separate action or by joinder.

(e) In addition to any other waivers, agreements and covenants of Guarantor set forth herein, Guarantor hereby further waives and releases all claims, causes of action, defenses and offsets for any act or omission of Bank, its directors, officers, employees, representatives or agents in connection with Bank's administration of the Guaranteed Obligations or any Participation Interests, except for Bank's willful misconduct and gross negligence.

(f) Guarantor waives any benefit of, and any right to participate in, any security now or hereafter held by Bank.

8. **Obligations Not Impaired**.

(a) Guarantor agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or affected by the occurrence of any one or more of the following events: (i) the death, disability or lack of corporate power of Seller, Guarantor or any other guarantor of all or any part of the Guaranteed Obligations; (ii) any receivership, insolvency bankruptcy, disability or other proceedings affecting Seller, Guarantor or any other guarantor of all or any part of the Guaranteed Obligations, or any of their respective property; (iii) the partial or total release or discharge of Seller or any other guarantor of all or any part of the Guaranteed Obligations, or any other Person from the performance of any obligation contained in any instrument or agreement evidencing, governing or securing all or any part of the Guaranteed Obligations, whether occurring by reason of law or otherwise; (iv) the taking or accepting of any collateral for all or any part of the Guaranteed Obligations or this Guaranty; (v) the taking or accepting of any other guaranty for all or any part of the Guaranteed Obligations; (vi) any failure by Bank to acquire, perfect or continue any lien or security interest on collateral securing all or any part of the Guaranteed Obligations or this Guaranty; (vii) the impairment of any collateral securing all or any part of the Guaranteed Obligations or this Guaranty; (viii) any failure by Bank to sell any collateral securing all or any part of the Guaranteed Obligations or this Guaranty in a commercially reasonable manner or as otherwise required by Law; (ix) any invalidity or unenforceability of or defect or deficiency in any Warehouse Document; (x) any other circumstance which might otherwise constitute a defense available to, or discharge of, Seller, Guarantor or any other guarantor of all or any part of the Guaranteed Obligations; (xi) the discretionary purchase by Bank of any Participation Interests pursuant to the Warehouse Agreement, thus increasing the Guaranteed Obligations; or (xii) the sale, transfer, assignment or conveyance by Seller of all or any portion of the Mortgage Loans as contemplated by the Warehouse Agreement.

(b) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any part of the Guaranteed Obligations is rescinded or must otherwise be returned by Bank upon the insolvency, bankruptcy or reorganization of Seller, Guarantor, any other guarantor of all or any part of the Guaranteed Obligations, or otherwise, all as though such payment had not been made.

(c) None of the following shall affect Guarantor's liability hereunder: (i) the unenforceability of all or any part of the Guaranteed Obligations against Seller by reason of the fact that the Guaranteed Obligations exceed the amount permitted by Law; (ii) the act of creating all or any part of the Guaranteed Obligations are ultra vires; or (iii) the officers, partners, members, managers or other Persons creating all or any part of the Guaranteed Obligations acted in excess of their authority. Guarantor hereby acknowledges that withdrawal from, or termination of, any ownership interest in Seller now or hereafter owned or held by Guarantor shall not alter, affect or in any way limit the obligations of Guarantor hereunder.

9. **Insolvency**. Should Guarantor become insolvent, or fail to pay Guarantor's debts generally as they become due, or voluntarily seek, consent to, or acquiesce in the benefit or benefits of any Debtor Relief Law, or become a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law (other than as a creditor or claimant) that could reasonably be expected to suspend or otherwise adversely affect the rights and remedies of Bank granted hereunder, then, in any such event, the Guaranteed Obligations shall be, as between Guarantor and Bank, a fully matured, due, and payable obligation of Guarantor to Bank (without regard to whether Seller is then in default under any Warehouse Documents or whether the Guaranteed Obligations, or any part thereof is then due and owing by Seller to Bank), payable in full by Guarantor to Bank upon demand, which shall be the estimated amount owing in respect of the contingent claim created hereunder.

10. **Subrogation**. Until the Guaranty Termination Date, Guarantor hereby covenants and agrees that Guarantor shall not assert, enforce, or otherwise exercise: (a) any right of subrogation to any of the rights or Liens of Bank against Seller or any other guarantor of the Guaranteed Obligations or any collateral or other security; or (b) unless such rights are expressly made subordinate to the Guaranteed Obligations (in form and upon terms acceptable to Bank) and the rights of Bank under this Guaranty and the Warehouse Documents, any right of recourse, reimbursement, contribution, indemnification, or similar right against Seller or any other guarantor of all or any part of the Guaranteed Obligations.

11. **Subordinate Debt**. All principal of and interest on all indebtedness, liabilities, and obligations of Seller to Guarantor (the "Subordinated Debt") now or hereafter existing, due or to become due to Guarantor, or held or to be held by Guarantor, whether created directly or acquired by assignment or otherwise, and whether evidenced by written instrument or not, shall be expressly subordinated to the Guaranteed Obligations. Until the Guaranty Termination Date, Guarantor agrees not to receive or accept any payment from Seller with respect to the Subordinated Debt at any time an Event of Default or default under any Warehouse Document has occurred and is continuing; and, in the event Guarantor receives any payment on the Subordinated Debt in violation of the foregoing, Guarantor will hold any such payment in trust for Bank and forthwith turn it over to Bank in the form received, to be applied to the Guaranteed Obligations. If Guarantor has executed a separate subordination agreement approved by Bank ("Subordination Agreement") applicable to the Subordinated Debt, the Subordination Agreement shall control over any inconsistent provision in this Section.

12. **No Fraudulent Transfer**. It is the intention of Guarantor and Bank that the amount of the Guaranteed Obligations guaranteed by Guarantor by this Guaranty shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer, or similar Laws applicable to Guarantor. Accordingly, notwithstanding anything to the contrary contained in this Guaranty or any other

agreement or instrument executed in connection with the payment or performance of any of the Guaranteed Obligations, the amount of the Guaranteed Obligations guaranteed by Guarantor by this Guaranty shall be limited to that amount which after giving effect thereto would not: (a) render Guarantor insolvent; (b) result in the fair saleable value of the assets of Guarantor being less than the amount required to pay Guarantor's debts and other liabilities (including contingent liabilities) as they mature; or (c) leave Guarantor with unreasonably small capital to carry out Guarantor's business as now conducted and as proposed to be conducted, including its capital needs, as such concepts described in clauses (a), (b) and (c) of this Section, are determined under applicable Law, if the obligations of Guarantor hereunder would otherwise be set aside, terminated, annulled or avoided for such reason by a court of competent jurisdiction in a proceeding actually pending before such court.

13. **Actions against Guarantor**. In the event of a default in the payment or performance of all or any part of the Guaranteed Obligations, or if an Event of Default occurs under any Warehouse Document, when all or any portion of the Guaranteed Obligations becomes due, whether by its terms, by acceleration or otherwise, Guarantor shall, upon demand, promptly pay the amount due thereon to Bank, in lawful money of the United States, at Bank's address set forth above. One or more successive or concurrent actions may be brought against Guarantor, either in the same action in which Seller is sued or in separate actions, as often as Bank deems advisable. The exercise by Bank of any right or remedy under this Guaranty or under any other agreement or instrument, at law, in equity otherwise, shall not preclude concurrent or subsequent exercise of any other right or remedy. The books and records of Bank shall be admissible in evidence in any action or proceeding involving this Guaranty and shall be prima facie evidence of the payments made on, and the outstanding balance of, the Guaranteed Obligations.

14. **Notice of Sale**. Except as otherwise required by applicable Law, in the event that Guarantor is entitled to receive any notice under the UCC of the sale or other disposition of any collateral securing all or any part of the Guaranteed Obligations or this Guaranty, reasonable notice shall be deemed given when such notice is deposited in the United States mail, postage prepaid, at the address for Guarantor set forth above, ten (10) days prior to the date any public sale, or after which any private sale, of any such collateral is to be held; provided, however, that notice given in any other reasonable manner or at any other reasonable time shall be sufficient.

15. **Waiver by Bank**. No delay on the part of Bank in exercising any right hereunder or failure to exercise the same shall operate as a waiver of such right. In no event shall any waiver of the provisions of this Guaranty be effective unless the same be in writing and signed by an officer of Bank, and then only in the specific instance and for the purpose given.

16. **Successors and Assigns**. This Guaranty is for the benefit of Bank, its successors and assigns. This Guaranty is binding upon Guarantor and Guarantor's heirs, executors, administrators, personal representatives and successors, including, without limitation, any Person obligated by operation of Law upon the reorganization, merger, consolidation or other change in the organizational structure of Guarantor.

17. **Setoff Rights**. Bank shall have the right to set off and apply against the Guaranteed Obligations, any and all deposits owing from Bank to Guarantor if Guarantor's obligation to remit all or any portion of the Guaranteed Obligations has matured under this Guaranty irrespective of whether or not Bank shall have made any demand under this Guaranty. The rights and remedies of Bank hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Bank may have.

18. **Costs and Expenses**. Guarantor shall pay on demand by Bank all costs and expenses, including, without limitation, all reasonable attorneys' fees incurred by Bank in connection with the enforcement and/or collection of this Guaranty. This covenant shall survive the payment of the Guaranteed Obligations.

19. **Severability**. If any provision of this Guaranty is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, shall not impair or invalidate the remainder of this Guaranty and the effect thereof shall be confined to the provision held to be illegal, invalid or unenforceable.

20. **No Obligation**. Nothing contained herein shall be construed as an obligation on the part of Bank to extend or continue to extend credit or other financial accommodations to Seller. Without limiting the generality of the foregoing, nothing contained herein shall obligate Bank to purchase any Participation Interests pursuant to the Warehouse Agreement, unless Bank elects, in its sole and absolute discretion, to purchase any such Participation Interests pursuant to the terms and conditions of the Warehouse Agreement.

21. **Amendment**. No modification or amendment of any provision of this Guaranty, nor consent to any departure by Guarantor therefrom, shall be effective unless the same shall be in writing and signed by an officer of Bank, and then shall be effective only in the specific instance and for the purpose for which given.

22. **Cumulative Rights**. All rights and remedies of Bank hereunder are cumulative of each other and of every other right or remedy which Bank may otherwise have at law or in equity or under any instrument or agreement, and the exercise of one or more of such rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

23. **Compliance with Applicable Usury Laws**. Notwithstanding any other provision of this Guaranty or of any instrument or agreement evidencing, governing or securing all or any part of the Guaranteed Obligations, Guarantor and Bank by its acceptance hereof agree that Guarantor shall never be required or obligated to pay interest in excess of the maximum nonusurious interest rate as may be authorized by applicable Law for the written contracts which constitute the Guaranteed Obligations. It is the intention of Guarantor and Bank to conform strictly to the applicable Laws which limit interest rates, and any of the aforesaid contracts for interest, if and to the extent payable by Guarantor, shall be held to be subject to reduction to the maximum nonusurious interest rate allowed under said Law.

24. **Descriptive Headings**. The headings in this Guaranty are for convenience only and shall not define or limit the provisions hereof.

25. **Gender**. Within this Guaranty, words of any gender shall be held and construed to include the other gender.

26. **Exhibits**. All exhibits, addenda, and riders which are attached hereto and executed by Guarantor and Bank are incorporated into this Guaranty and made a part hereof for all purposes, the same as if set forth herein verbatim.

27. **Entire Agreement**. This Guaranty contains the entire agreement between Guarantor and Bank regarding the subject matter hereof and supersedes all prior written and oral agreements and understandings, if any, regarding same; provided, however, this Guaranty is in addition to and does not replace, cancel, modify or affect any other guaranty of Guarantor now or hereafter held by Bank that relates to Seller and different liabilities or indebtedness.

28. **GOVERNING LAW AND VENUE**. GUARANTOR HAS SIGNED THIS GUARANTY AND SUBMITS IT TO BANK FOR ACCEPTANCE AT BANK'S OFFICE IN RICHARDSON, COLLIN COUNTY, TEXAS. GUARANTOR SHALL MAKE ALL PAYMENTS AND PERFORM ALL OTHER OBLIGATIONS ARISING HEREUNDER AT COLLIN COUNTY, TEXAS, AND THIS AGREEMENT IS MADE AND ENTERED INTO AT COLLIN COUNTY, TEXAS. THIS AGREEMENT AND ALL OF THE TERMS AND CONDITIONS HEREOF AND THE RIGHTS OF THE PARTIES HERETO SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND VENUE FOR ANY LEGAL ACTION BROUGHT HEREUNDER SHALL LIE IN COLLIN COUNTY, TEXAS OR DALLAS COUNTY, TEXAS.

29. **WAIVER OF RIGHT TO JURY**. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM THAT RELATES TO OR ARISES OUT OF ANY OF THE WAREHOUSE DOCUMENTS OR THE ACTS OR FAILURE TO ACT OF OR BY SELLER IN THE ENFORCEMENT OF ANY OF THE TERMS OR PROVISIONS OF THIS GUARANTY OR THE OTHER WAREHOUSE DOCUMENTS.

30. **NO ORAL AGREEMENTS**. THIS GUARANTY AND THE OTHER WAREHOUSE DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

31. **Joint and Several Liability**. The liability of all Persons obligated to Bank in any manner under this Guaranty and any and all riders hereto shall be joint and several.

[Signature Page Follows]

EXECUTED by Guarantor to be effective as of the Effective Date.

GUARANTOR:

REDFIN CORPORATION, A DELAWARE CORPORATION

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: CHIEF EXECUTIVE OFFICER

Guarantor's Address for Notices:

GLENN KELMAN
1099 STEWART STREET, SUITE 600
SEATTLE, WA 98101
Attention: GLENN KELMAN
Phone: [omitted]
E-mail: GLENN.KELMAN@REDFIN.COM

With a copy to:

REDFIN CORPORATION
1099 STEWART STREET, SUITE 600
SEATTLE, WA 98101
ATTENTION: GENERAL COUNSEL

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

FINANCIAL COVENANTS RIDER
(TO GUARANTY AGREEMENT)

THIS FINANCIAL COVENANTS RIDER ("Rider") is entered into as of December 21, 2016 (the "Effective Date"), by TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank"), and the undersigned executing this Rider as "Guarantor". This Rider is attached to and made a part of that certain Guaranty Agreement (the "Guaranty") dated the Effective Date, executed by Guarantor for the benefit of Bank. Capitalized terms used in this Rider, but not otherwise defined herein, shall have the meanings given to such terms in the Guaranty. Guarantor and Bank agree that the following provisions supersede, govern and control any contrary provisions in the Guaranty:

1. **Financial Covenants**. Guarantor covenants and agrees that, until the Guaranty Termination Date, Guarantor will, at all times, observe, perform and comply with each of the following covenant(s):

(a) Minimum Tangible Net Worth. Guarantor shall maintain Tangible Net Worth of not less than $60,000,000.00. "Tangible Net Worth" means, at any particular time, all amounts which, in conformity with GAAP (as defined in the Warehouse Agreement), would be properly included as owner's equity on Guarantor's balance sheet, but excluding (i) all assets which are properly classified as intangible assets, and (ii) loans or advances to, or receivables from, any owner, officer or employee of Guarantor.

(b) Minimum Liquid Assets. Guarantor shall maintain Total Eligible Liquidity of not less than $40,000,000.00. "Total Eligible Liquidity" means, at any particular time, the sum of Guarantor's cash, cash equivalents (certificates of deposit and other depository accounts established at FDIC-insured banks), United States government-issued securities and other registered, unrestricted equity or debt securities which are publicly traded on a recognized United States exchange and have been approved by Bank, in its sole and absolute discretion and which, in all events, are held in Guarantor's name and are free and clear of all Liens (as defined in the Warehouse Agreement) (except Liens in favor of Bank), as calculated and determined as set forth in Exhibit A attached hereto.

(c) Consecutive Quarterly Net Losses. Guarantor shall not incur pre-tax net losses for two consecutive quarters, excluding any markup or markdown of mortgage servicing rights.

After the Effective Date, Guarantor and Bank may, in their sole discretion, enter into certain written agreements executed by Guarantor and Bank guaranteeing, evidencing or otherwise governing one or more credit facilities extended by Bank in addition to the financial accommodations evidenced and governed by the Warehouse Agreement (collectively, "Credit Agreements"), which Credit Agreements may include (a) certain financial covenants pertaining to Guarantor in addition to those contained in this Rider (each a "New Financial Covenant") and (b) one or more of the same financial contained in this Rider, but with certain modified terms covenants pertaining to Guarantor with respect to each such financial covenant (each a "Modified Financial Covenant"). In such event, unless otherwise agreed to by Bank, the financial covenants contained in this Rider shall automatically be modified and amended from time to time (a) to include each New Financial Covenant and (b) to include the most recent terms of each Modified Financial Covenant to the extent inconsistent with those contained in this Rider. Except as modified and amended in accordance with the terms of the previous sentence, this Rider shall continue in full force and effect as originally executed and delivered. The modifications and amendments contemplated hereby shall not be affected by the termination of any Credit Agreement, and shall survive the termination of each Credit Agreement.

2. **Compliance Certificates**. Guarantor acknowledges Bank has requested, and Guarantor shall timely prepare and furnish to Bank, the financial statements and reports described in the Warehouse Agreement which pertain to Guarantor, plus such additional financial reports and information as Bank may from time to time request. In addition, Guarantor shall prepare and submit to Bank, on a quarterly basis and no later than thirty (30) days after the end of each calendar quarter, a compliance certificate executed by Guarantor, demonstrating Guarantor's compliance with the covenants set forth in Section 1 of this Rider and such substantiation thereof as may be required by Bank, all in such form and content required by Bank from time to time. A copy of Bank's current required form of compliance certificate is attached hereto as Exhibit A. Although compliance certificates are to be delivered to Bank on a quarterly basis, Guarantor shall at all times comply with all covenants set forth in Section 1 of this Rider and Bank may test Guarantor's compliance with such covenants at any time.

3. **Miscellaneous**. The liability of all Persons obligated to Bank in any manner under this Rider shall be joint and several. If more than one Person shall execute this Rider as "Guarantor", then the term "Guarantor" as used herein shall refer both to each such Person individually and to all such Persons collectively. Except as hereby modified or supplemented, the Guaranty shall remain in full force and effect.

[Signature Page Follows]

EXECUTED by Guarantor to be effective as of the Effective Date.

GUARANTOR:

REDFIN CORPORATION, A DELAWARE CORPORATION

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

AGREED TO AND ACCEPTED BY BANK AT RICHARDSON, COLLIN COUNTY, TEXAS, AS OF THE EFFECTIVE DATE:

TEXAS CAPITAL BANK,
NATIONAL ASSOCIATION

By: /s/ Heather Crawford
Name: Heather Crawford
Title: Vice President

EXHIBIT A
(TO FINANCIAL COVENANTS RIDER)

COMPLIANCE CERTIFICATE [Follows

This Cover Page]

COMPLIANCE CERTIFICATE

REPORTING PERIOD: _____, 20_____ through_____, 20_____

This Compliance Certificate (this "Certificate") is being delivered in connection with that certain Guaranty Agreement (as amended and modified from time to time, and including all addenda, riders and exhibits thereto, the "Guaranty") dated_____, 20____, executed for the benefit of TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank") by the undersigned executing this Certificate as "Guarantor". Capitalized terms used in this Certificate shall, unless otherwise indicated herein, have the meanings set forth in the Guaranty. On behalf of Guarantor, the undersigned certifies to Bank as of the last day of the reporting period indicated above (the "Determination Date") that: (a) no default has occurred and is continuing under the Guaranty; (b) all representations and warranties of Guarantor contained in the Guaranty and in the other Warehouse Documents are true and correct in all material respects; and (c) the information set forth below and all documents provided to Bank to substantiate the same are true, correct and complete.

Minimum Tangible Net Worth:

Actual Tangible Net Worth (as of the Determination Date)		***Required minimum Tangible Net Worth (pursuant to the Guaranty)***
GAAP Net Worth	$_____	
Less:		
Goodwill, Patents, etc. Related	($_____)	
Party Receivables	($_____)	
Officer/Employee Receivables	($_____)	
Goodwill, Other Intangibles, etc.	($_____)	
TOTAL TANGIBLE NET WORTH:	$_____	$60,000,000.00

Minimum Liquid Assets:

Actual Liquid Assets (as of the Determination Date)		***Required minimum Liquid Assets (pursuant to the Guaranty)***
Total Liquidity	$_____	
Less:		
Pledged Liquid Assets	($_____)	
Other Encumbered/Ineligible		
Liquidity Assets	($_____)	
Plus:		
Liquidity Pledged to Bank (If Deducted Above)	$_____	
TOTAL ELIGIBLE LIQUIDITY:	$_____	$40,000,000.00

Consecutive Quarterly Net Losses:

	Actual Quarterly Net Income (Loss) (as of the Determination Date)	
	Current QTR	*Prior QTR*
Pre-Tax Net Income (Loss)	$_____	$_____
Less:		
MSR Fair Value Increase (Decrease)	($_____)	($_____)
ACTUAL PRE-TAX NET INCOME EXCLUDING MSR FAIR VALUE ADJUSTMENT:	$_____	$_____

No Two Consecutive Quarterly Pre-Tax Net Losses, Excluding Any Markup or Markdown of Mortgage Servicing Rights (pursuant to the Agreement)

EXECUTED by Guarantor as of the Determination Date.

GUARANTOR:

REDFIN CORPORATION, A DELAWARE CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT D
(TO MORTGAGE WAREHOUSE AGREEMENT)

UCC-1 FINANCING STATEMENT

[Follows This Cover Page]

UCC-1 FINANCING STATEMENT
SCHEDULE OF COLLATERAL

DEBTOR: REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

SECURED PARTY: TEXAS CAPITAL BANK, NATIONAL ASSOCIATION

Capitalized terms used but not otherwise defined in this UCC-1 Financing Statement Schedule of Collateral shall have the meanings given to such terms in the UCC-1 Financing Statement Schedule of Defined Terms attached hereto and made a part hereof for all purposes. Unless otherwise defined in the UCC-1 Financing Statement Schedule of Defined Terms or in this UCC-1 Financing Statement Schedule of Collateral, all capitalized terms used herein shall have the meanings given to such terms in the UCC.

This Financing Statement covers any and all rights, titles and interests of Debtor in and to any and all Participated Mortgage Loans, wherever the foregoing is located, in which Debtor now has or at any time hereafter has or acquires any right, title or interest, and all Product and Proceeds thereof (collectively, the "Collateral"). Without limiting the generality of the foregoing, the term Collateral shall include all rights, titles and interests of Debtor in and to the following, wherever the following is located, in which Debtor now has or at any time hereafter has or acquires any right, title or interest, and all Products and Proceeds thereof:

1. (a) the Mortgage Notes evidencing the Participated Mortgage Loans; (b) the Security Instruments securing the Participated Mortgage Loans and the other Mortgage Loan Documents related to the Participated Mortgage Loans; and (c) any and all other documents relating to the Participated Mortgage Loans (including, without limitation, any and all surveys, appraisals and title insurance commitments and policies);

2. (a) all of the rights of Debtor to the payment of money (including, without limitation, tax refund, insurance proceeds and condemnation proceeds) relating to the Participated Mortgage Loans or the Residential Real Properties securing same; and (b) any other rights ancillary to or securing or relating to the Participated Mortgage Loans;

3. all guaranties, bonds, insurance policies and commitments relating to the Participated Mortgage Loans;

4. all agreements entered into by Debtor relating to the Participated Mortgage Loans;

5. (a) all Take-Out Purchase Agreements related to the Participated Mortgage Loans; and (b) all rights to sell and deliver Participated Mortgage Loans to purchasers thereof;

6. all proceeds from the sale, financing or other disposition of the Participated Mortgage Loans;

7. all Mortgage Backed Securities secured by, created from or representing any interest in the Participated Mortgage Loans;

8. (a) all rights to service, administer or collect the Participated Mortgage Loans; and (b) (i) all agreements pursuant to which Debtor undertakes to service, administer or collect the Participated Mortgage Loans and (ii) all rights to the payment of money on account of such servicing, administration or collection activities;

9. all purchase agreements, credit agreement or other agreements pursuant to which Debtor acquired the Participated Mortgage Loans and all other agreements, documents or instruments executed in connection therewith;

10. the Deposit Accounts and any and all funds now or hereafter deposited in or otherwise contained in the Deposit Accounts, including, without limitation, any and all interest and other earnings thereon;

11. all data, files (including, without limitation, credit files), books, records (including, without limitation, servicing records), correspondence and accounting records, whether in electronic or written form, and software, computer files, computer programs, printouts and other electronic materials or records related to the Participated Mortgage Loans (including, without limitation, all of the foregoing items necessary to administer, service and collect the Participated Mortgage Loans); and

12. all Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Financial Assets, General Intangibles, Instruments, Investment Property, Securities, Securities Accounts and other personal property of Debtor of any kind or type, in each case related to the Participated Mortgage Loans.

UCC-1 FINANCING STATEMENT
SCHEDULE OF DEFINED TERMS

"Borrower" shall mean any Person who is an obligor on or under a Mortgage Loan.

"Debtor" (whether one or more) shall mean each Person identified as "Debtor" in the UCC-1 Financing Statement Schedule of Collateral to which this UCC-1 Financing Statement Schedule of Defined Terms is attached. If the term "Debtor" includes more than one Person, then the term "Debtor" as used herein shall refer both to each such Person individually and to all such Persons collectively.

"Deposit Accounts" shall mean those certain deposit accounts established by Debtor and maintained at Secured Party pursuant to the Warehouse Agreement.

"Laws" shall mean all statutes, laws, ordinances, regulations, rules, orders, writs, injunctions or decrees of the United States, any city or municipality, state, commonwealth, nation, country, territory, possession, or any Tribunal.

"Mortgage Backed Security" shall mean a mortgage pass-through security, collateralized mortgage obligation, real estate mortgage investment conduit or other security that: (a) is based on and backed by an underlying pool of mortgage loans; and (b) provides for payment by its issuer to its holder of a specified principal installments and/or fixed or floating rate of interest on the unpaid balance and for all prepayments to be passed through to its holder.

"Mortgage Loan" shall mean a residential mortgage loan evidenced by a Mortgage Note and secured by a Security Instrument.

"Mortgage Loan Documents" shall mean, with respect to any Mortgage Loan, the Mortgage Note evidencing such Mortgage Loan, the Security Instrument securing such Mortgage Loan and all other agreements, instruments and documents governing, evidencing, guaranteeing or relating to such Mortgage Loan, Mortgage Note or Security Instrument.

"Mortgage Note" shall mean, with respect to any Mortgage Loan, a full recourse promissory note evidencing such Mortgage Loan and secured by a Security Instrument.

"Participated Mortgage Loan" shall mean any Mortgage Loan in which Secured Party has elected to purchase a Participation Interest from Debtor pursuant to the terms and conditions of the Warehouse Agreement. A Mortgage Loan in which Secured Party has purchased a Participation Interest shall cease to be a Participated Mortgage Loan under the Warehouse Agreement (and shall cease to be a Participated Mortgage Loan for purposes of the UCC-1 Financing Statement Schedule of Collateral to which this UCC-1 Financing Statement Schedule of Defined Terms is attached) at such time as such Mortgage Loan is a Retired Participated Mortgage Loan.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

"Products and Proceeds" shall mean: (a) any and all "proceeds," as such term is defined in Chapter 9 of the UCC and, in any event, shall include, but not be limited to (i) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to Debtor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of

all or any part of the Collateral by any Tribunal (or any person acting under color of Tribunal) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral; and (b) any and all additions, substitutions, replacements and products of any of the Collateral.

"Residential Real Property" shall mean a single platted lot of land improved with a one-to-four family residence.

"Retired Participated Mortgage Loan" shall mean any Mortgage Loan in which Secured Party has purchased a Participation Interest: (a) which has been subsequently sold in its entirety to a Take-Out Purchaser and the full amount of the purchase price for such sale has been received and applied by Secured Party (as reflected on the Secured Party's books and records), all pursuant to the terms of the Warehouse Agreement; (b) for which the Participation Interest in such Mortgage Loan has been subsequently repurchased in its entirety by Debtor from Secured Party and the full amount of the repurchase price for such repurchase has been received and applied by Secured Party (as reflected on the Secured Party's books and records), all pursuant to the terms of the Warehouse Agreement; or (c) for which the entire principal balance and all accrued interest for such Mortgage Loan has been subsequently paid in full by the related Borrower (as reflected on the Secured Party's books and records), and Secured Party's pro rata share of such amounts have been received and applied by Secured Party, all pursuant to the terms of the Warehouse Agreement.

"Secured Party" shall mean Texas Capital Bank, National Association.

"Security Instrument" shall mean, with respect to any Mortgage Loan, a full recourse mortgage or deed of trust securing such Mortgage Loan and granting a perfected first priority lien on the Residential Real Property related thereto.

"Take-Out Purchase Agreement" shall mean, with respect to any Participated Mortgage Loan, any and all agreements, commitments or other arrangements for Debtor to sell such Participated Mortgage Loan to any Take-Out Purchaser.

"Take-Out Purchaser" shall mean any Person approved by Secured Party (pursuant to the Warehouse Agreement) for the purchase of any Participated Mortgage Loan.

"Tribunal" shall mean any state, commonwealth, federal, foreign, territorial or other court or governmental department, commission, board, bureau, agency or instrumentality.

"UCC" shall mean the Uniform Commercial Code of the State of Texas, or other applicable jurisdiction, as it may be amended from time to time.

"Warehouse Agreement" shall mean that certain Mortgage Warehouse Agreement most recently executed by Debtor and Secured Party on or before the date of the filing of this UCC-1 Financing Statement, as the same may from time to time be modified, amended, supplemented, renewed, extended or replaced.

EXHIBIT E
(TO MORTGAGE WAREHOUSE AGREEMENT)

FINANCIAL COVENANTS ADDENDUM

[Follows This Cover Page (If Applicable[1])]

1 If an Additional Warehouse Facility Covenants Addendum does not follow this cover page, then this addendum is not applicable unless such an addendum is subsequently executed by Bank and Seller.

FINANCIAL COVENANTS ADDENDUM

THIS FINANCIAL COVENANTS ADDENDUM (this "Addendum") is effective as of DECEMBER 21, 2016 (the "Effective Date"), and is entered into by the undersigned executing this Addendum as "Seller" and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank") concurrently with, and as a condition to the effectiveness of, that certain Mortgage Warehouse Agreement (as amended and modified from time to time, the "Warehouse Agreement") dated the Effective Date, executed by Bank and Seller. Accordingly, Bank and Seller agree as follows:

1. **Financial Covenants**. Seller covenants and agrees that, until the Agreement Termination Date, Seller will, at all times, observe, perform and comply with each of the following covenant(s):

(a) Minimum Tangible Net Worth. Seller shall maintain Tangible Net Worth of not less than $4,000,000.00. "Tangible Net Worth" means, at any particular time, all amounts which, in conformity with GAAP, would be properly included as owner's equity on Seller's balance sheet, but excluding (i) all assets which are properly classified as intangible assets, and (ii) loans or advances to, or receivables from, any owner, officer or employee of Seller.

(b) Minimum Liquid Assets. Seller shall maintain Total Eligible Liquidity of not less than $1,000,000.00. "Total Eligible Liquidity" means, at any particular time, the sum of Seller's cash, cash equivalents (certificates of deposit and other depository accounts established at FDIC-insured banks), United States government-issued securities and other registered, unrestricted equity or debt securities which are publicly traded on a recognized United States exchange and have been approved by Bank, in its sole and absolute discretion and which, in all events, are held in Seller's name and are free and clear of all Liens (except Liens in favor of Bank), as calculated and determined as set forth in Exhibit E-1 attached hereto.

(c) Consecutive Quarterly Net Losses. Seller shall not incur pre-tax net losses for two consecutive quarters, excluding any markup or markdown of mortgage servicing rights.

If Seller is required or permitted under the Warehouse Agreement to deliver to Bank quarterly consolidated financial statements, then the above-described financial covenants will be tested and calculated by Bank based on the consolidated financial information of Seller and each other entity whose financial information is required or permitted by Bank to be set forth on such consolidated financial statements.

After the Effective Date, Seller and Bank may, in their sole discretion, enter into certain written agreements executed by Seller and Bank evidencing or otherwise governing one or more credit facilities extended by Bank to Seller in addition to the financial accommodations evidenced and governed by the Warehouse Agreement (collectively, "Credit Agreements"), which Credit Agreements may include (a) certain financial covenants pertaining to Seller in addition to those contained in this Addendum (each a "New Financial Covenant") and (b) one or more of the same financial covenants contained in this Addendum, but with certain modified terms pertaining to Seller with respect to each such financial covenant (each a "Modified Financial Covenant"). In such event, unless otherwise agreed to by Bank, the financial covenants contained in this Addendum shall automatically be modified and amended from time to time (a) to include each New Financial Covenant and (b) to include the most recent terms of each Modified Financial Covenant to the extent inconsistent with those contained in this Addendum. Except as modified and amended in accordance with the terms of the previous sentence, this Addendum shall continue in full force and effect as originally executed and delivered. The modifications and amendments contemplated hereby shall not be affected by the termination of any Credit Agreement, and shall survive the termination of each Credit Agreement.

2. **Intentionally Omitted**.

3. **Compliance Certificates**. Seller acknowledges Bank has requested, and Seller shall timely prepare and furnish to Bank, the financial statements and reports described in the Warehouse Agreement, plus such additional financial reports and information as Bank may from time to time request. In addition, Seller shall prepare and submit to Bank, on a quarterly basis and no later than thirty (30) days after the close of each fiscal quarter, a compliance certificate executed by Seller, demonstrating Seller's compliance with the covenants set forth in Section 1 of this Addendum and the provisions of the Warehouse Agreement, and such substantiation thereof as may be required by Bank, all in such form and content required by Bank from time to time. A copy of Bank's current required form of compliance certificate is attached hereto as Exhibit E-1. Although compliance certificates are to be delivered to Bank on a quarterly basis, Seller shall at all times comply with all covenants set forth in Section 1 of this Addendum and the provisions of the Warehouse Agreement and Bank may test Seller's compliance with such covenants and provisions at any time.

4. **Miscellaneous**. This Addendum is made a part of and is incorporated into the Warehouse Agreement. The provisions of this Addendum supersede, modify and amend any and all inconsistent or conflicting provisions in the Warehouse Agreement. Except as hereby modified and amended, the Warehouse Agreement shall remain in full force and effect. Capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Warehouse Agreement. The liability of all Persons obligated to Bank in any manner under this Addendum shall be joint and several. If more than one Person shall execute this Addendum as "Seller", then the term "Seller" as used herein shall refer both to each such Person individually and to all such Persons collectively.

[Signature Page Follows]

EXECUTED by Seller to be effective as of the Effective Date.

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

AGREED TO AND ACCEPTED BY BANK AT RICHARDSON, COLLIN COUNTY, TEXAS, AS OF THE EFFECTIVE DATE:

TEXAS CAPITAL BANK,
NATIONAL ASSOCIATION

By: /s/ Heather Crawford
Name: Heather Crawford
Title: Vice President

EXHIBIT E-1
(TO FINANCIAL COVENANTS ADDENDUM TO MORTGAGE WAREHOUSE AGREEMENT)

COMPLIANCE CERTIFICATE

[Follows This Cover Page]

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

COMPLIANCE CERTIFICATE

REPORTING PERIOD: _____, 20____ through _____, 20____

This Compliance Certificate (this "Certificate") is being delivered in connection with that certain Mortgage Warehouse Agreement (as amended and modified from time to time, and including all addenda and exhibits thereto, the "Agreement") dated DECEMBER 21, 2016 executed by TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank") and the undersigned executing this Certificate as "Seller". Capitalized terms used in this Certificate shall, unless otherwise indicated herein, have the meanings set forth in the Agreement. On behalf of Seller, the undersigned certifies to Bank as of the last day of the reporting period indicated above (the "Determination Date") that: (a) no Event of Default has occurred and is continuing; (b) all representations and warranties of Seller contained in the Agreement and in the other Warehouse Documents are true and correct in all material respects; and (c) the information set forth below and all documents provided to Bank to substantiate the same are true, correct and complete.

Minimum Tangible Net Worth:

Actual Tangible Net Worth (as of the Determination Date)		***Required minimum Tangible Net Worth (pursuant to the Agreement)***
GAAP Net Worth	$_____	
Less:		
Investment in Affiliates	($_____)	
Loan Receivable – Related Party	($_____)	
Officer/Employee Receivables	($_____)	
Goodwill, Other Intangibles, etc.	($_____)	
TOTAL TANGIBLE NET WORTH:	$_____	$4,000,000.00

[Additional Covenants Follow]

Minimum Liquid Assets:

Actual Liquid Assets (as of the Determination Date)		***Required minimum Liquid Assets (pursuant to the Agreement)***
Total Liquidity	$_____	
Less:		
Pledged Liquid Assets	($_____)	
Other Restricted Liquidity Assets	($_____)	
Plus:		
Liquidity Pledged to Bank (If Deducted Above)	($_____)	
TOTAL ELIGIBLE LIQUIDITY	$_____	$1,000,000.00

Consecutive Quarterly Net Losses:

	Actual Quarterly Net Income (Loss) (as of the Determination Date)		
	Current QTR	*Prior QTR*	
Pre-Tax Net Income (Loss)	$_____	$_____	
Less:			
MSR Fair Value Increase (Decrease)	($_____)	($_____)	***No Two Consecutive Quarterly Pre-Tax Net Losses, Excluding Any Markup or Markdown of Mortgage Servicing Rights (pursuant to the Agreement)***
ACTUAL PRE-TAX NET INCOME EXCLUDING MSR FAIR VALUE ADJUSTMENT:	$_____	$_____	

[Additional Covenants and Signature Page Follows]

Other Warehousing Facilities: Seller represents and warrants to Bank that any and all mortgage warehousing facilities of Seller (other than with Bank) in effect as of the date hereof are identified on the schedule appearing immediately below. Further, Seller represents and warrants to Bank that no default has occurred under any of the mortgage warehousing facilities of Seller identified in such schedule Pursuant to the Agreement, Seller covenants and agrees to: (a) notify Bank in writing prior to entering into any other mortgage warehousing facilities; and (b) promptly notify Bank in writing regarding any material change in any mortgage warehousing facility of Seller (including as to the maximum amount of any such facility and as to any termination, suspension or non-renewal of any such facility) or any default by Seller under any such mortgage warehousing facility.

Warehouse Lender	*Maximum Facility Amount*
Western Alliance	$ 10,000,000.00

EXECUTED by Seller as of the Determination Date.

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE
LIMITED LIABILITY COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT F
(TO MORTGAGE WAREHOUSE AGREEMENT)

SUPPLEMENTAL PROVISIONS ADDENDUM

[Follows This Cover Page]

SUPPLEMENTAL PROVISIONS ADDENDUM

THIS SUPPLEMENTAL PROVISIONS ADDENDUM (this "Addendum") is effective as of DECEMBER 21, 2016 (the "Effective Date"), and is entered into by the undersigned executing this Addendum as "Seller" and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION ("Bank") concurrently with, and as a condition to the effectiveness of, that certain Mortgage Warehouse Agreement (as amended and modified from time to time, the "Warehouse Agreement") dated the Effective Date, executed by Bank and Seller. Accordingly, Bank and Seller agree as follows:

1. **Delivery of Closing Documents by Seller**.

(a) Subject to Subsections (b) and (c) of this Section, within five (5) Business Days after the Purchase Date for any Participated Mortgage Loan, Seller shall deliver or cause to be delivered to the Document Custodian all of the Bank Document Deliverables for such Participated Mortgage Loan. Bank reserves the right to require copies of any of the Bank Document Deliverables for review prior to making any Advance for the purchase of a Participation Interest in any specific Mortgage Loan.

(b) Seller shall cause the Bank Document Deliverables for each Participated Mortgage Loan to be: (i) delivered directly to Seller (and, in the event that the applicable Funding Recipient for such Participated Mortgage Loan is or is required hereunder to be an Escrow Agent, such Bank Document Deliverables shall be delivered directly to Seller from escrow by the Escrow Agent for such Participated Mortgage Loan); and (ii) thereafter, delivered directly to the Document Custodian by Seller within five (5) Business Days after the Purchase Date for such Participated Mortgage Loan, unless otherwise expressly provided by Bank in writing to Seller with respect to such Participated Mortgage Loan (it being understood that any such writing from Bank shall only apply to the specific Participated Mortgage Loan referenced therein). Seller acknowledges and agrees that the foregoing arrangement (which allows for Seller, subject to Subsection (c) of this Section, to directly deliver to the Document Custodian the Bank Document Deliverables within five (5) Business Days after the Purchase Date for the related Participated Mortgage Loan) is being made as an accommodation to Seller and that Bank may, in its sole discretion, by providing written notice to Seller: (i) terminate Seller's authorization to deliver directly to the Document Custodian any or all of the Bank Document Deliverables; and (ii) require that within (2) two Business Days after the Purchase Date for any Participated Mortgage Loan, any or all Bank Document Deliverables shall be delivered directly to the Document Custodian (and, in the event that the applicable Funding Recipient for such Participated Mortgage Loan is or is required hereunder to be an Escrow Agent, such Bank Document Deliverables shall be delivered directly to the Document Custodian from escrow by the Escrow Agent for such Participated Mortgage Loan).

(c) Without limiting the requirements set forth in Subsection (b) of this Section, Seller acknowledges and agrees that each and every Bank Document Deliverable for any Participated Mortgage Loan which is at any time in the custody, possession or control of Seller after Bank's purchase of a Participation Interest in such Participated Mortgage Loan shall be held and delivered to the Document Custodian pursuant to the terms and conditions of Section 5.11 of the Warehouse Agreement. Nothing contained in this Addendum authorizes or permits the delivery to Seller or any other Person (other than the Document Custodian) of any of the Bank Document Deliverables which are required to be delivered directly to the Document Custodian pursuant to the provisions of this Addendum.

2. **Miscellaneous**. This Addendum is made a part of and is incorporated into the Warehouse Agreement. The provisions of this Addendum supersede, modify and amend any and all inconsistent or conflicting provisions in the Warehouse Agreement. Except as hereby modified and amended, the Warehouse Agreement shall remain in full force and effect. Capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Warehouse Agreement. The liability of all Persons obligated to Bank in any manner under this Addendum shall be joint and several. If more than one Person shall execute this Addendum as "Seller", then the term "Seller" as used herein shall refer both to each such Person individually and to all such Persons collectively.

[Signature Page Follows]

EXECUTED by Seller to be effective as of the Effective Date.

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

AGREED TO AND ACCEPTED BY BANK AT RICHARDSON, COLLIN COUNTY, TEXAS, AS OF THE EFFECTIVE DATE:

TEXAS CAPITAL BANK,
NATIONAL ASSOCIATION

By: /s/ Heather Crawford
Name: Heather Crawford
Title: Vice President

EXHIBIT G
(TO MORTGAGE WAREHOUSE AGREEMENT)

LIST OF CURRENT WAREHOUSE FACILITIES

Warehouse Lender	Maximum Facility Amount
Western Alliance	$ 10,000,000.00

EXHIBIT H
(TO MORTGAGE WAREHOUSE AGREEMENT)

LIST OF CURRENT AFFILIATE ESCROW AGENTS

Name of Affiliate Escrow Agent (including any d/b/a)	Address
Title Forward	1628 John F. Kennedy Boulevard, 8 Penn Center, Suite 700, Philadelphia, PA 19103

EXHIBIT I
(TO MORTGAGE WAREHOUSE AGREEMENT)

BLANKET ASSIGNMENT

[Follows This Cover Page]

(Space Above For Recorder's Use)

ASSIGNMENT OF INTERESTS IN MORTGAGE LOANS

THIS ASSIGNMENT OF INTERESTS IN MORTGAGE LOANS (this "Agreement") is made and entered into as of DECEMBER 21, 2016 (the "Effective Date") between REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY (the foregoing are each individually and collectively referred to herein as "Seller") and TEXAS CAPITAL BANK, NATIONAL ASSOCIATION (together with its successors and assigns, "Bank").

RECITALS

A. Seller and Bank have entered into that certain Mortgage Warehouse Agreement (as amended or modified from time to time, the "Warehouse Agreement") dated as of DECEMBER 21, 2016, relating to Bank's discretionary purchase from time to time of Participation Interests from Seller in Mortgage Loans. Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned to such terms in the Warehouse Agreement.

B. Pursuant to the terms and conditions of the Warehouse Agreement, Seller shall sell, transfer, assign and convey to Bank a Participation Interest in each Mortgage Loan and Mortgage Loan Document related thereto in which Bank elects to purchase a Participation Interest under the Warehouse Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, recitals and the agreements contained in this Agreement and the Warehouse Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller and Bank agree as follows:

1. Seller does hereby irrevocably, absolutely and unconditionally sell, transfer, assign and convey to Bank any and all of Seller's rights, titles and interests in and to any and all Participation Interests in Mortgage Loans now or hereafter purchased by Bank from Seller pursuant to the terms of the Warehouse Agreement. With respect to any Participation Interest purchased by Bank from Seller under the Warehouse Agreement, the sale, transfer, assignment and conveyance by Seller to Bank of all of Seller's rights, titles and interests in and to such Participation Interest in such Mortgage Loan shall be automatically effective, and shall be deemed conclusively to have occurred as of the Purchase Date for such Participation Interest, without further action by either party hereto, by operation of the applicable terms and provisions of the Warehouse Agreement.

2. Bank may from time to time append and attach hereto asSchedule A (the "Participation Interest Schedule") information identifying each Participated Mortgage Loan and Bank's Participation Interest therein ("Participation Interest Information"), which Participation Interest Information may include with respect to each Participated Mortgage Loan: (a) the name of the related Borrower; (b) the principal amount of the Participated Mortgage Loan; (c) the related Purchase Date; (d) Bank's related Participation Percentage; (e) Seller's related Retained Percentage; (f) a description of the related Residential Real Property; and (g) the recording information for the related Security Instrument. Bank may from time to time attach hereto an updated Participation Interest Schedule which reflects the then- current Participation Interest Information.

3. Bank may at any time elect to record this Agreement (with a corresponding Participation Interest Schedule) in any real property records of any jurisdiction deemed appropriate from time to time by Bank. However, any failure by Bank to so record this Agreement shall not limit, impair or otherwise affect the provisions of the Warehouse Agreement or this Agreement. If Bank at any time requires additional executed originals of this Agreement in order to effect the recording of this Agreement (with any corresponding Participation Interest Schedule) in any jurisdiction deemed appropriate by Bank or for any other reason, Seller shall promptly upon request by Bank execute additional originals of this Agreement as and when required by Bank, and Bank may execute additional copies of this Agreement on Seller's behalf, as Seller's attorney-in-fact, pursuant to any power of attorney granted to Bank by Seller under the Warehouse Agreement or any other Warehouse Document.

4. The liability of all Persons obligated to Bank in any manner under this Agreement shall be joint and several. If more than one Person shall execute this Addendum as "Seller", then the term "Seller" as used herein shall refer both to each such Person individually and to all such Persons collectively.

5. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Seller and Bank. Neither party hereto may sell, assign or transfer any right, title or interest hereunder except in accordance with the Warehouse Agreement or with the prior written consent of the other party hereto. Further, Seller shall not sell, assign or transfer any right, title or interest in the Participated Mortgage Loans in violation of any applicable provisions of the Warehouse Agreement.

6. This Agreement may be executed in several identical counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts shall constitute but one and the same instrument.

7. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, without regard to the principles of conflicts of laws thereof.

[Signature Pages Follow]

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

SELLER:

REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: /s/ Glenn Kelman
Name: GLENN KELMAN
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

* * *

STATE OF Washington §
§
COUNTY OF King §

This document was acknowledged before me on the 14 day of February, 2017, by GLENN KELMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER of REDFIN MORTAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

/s/ Illegible
Notary Public, State of Washington

[NOTARY STAMP]

AGREED TO AND ACCEPTED by Bank at Richardson, Collin County, Texas, as of the Effective Date.

BANK:

TEXAS CAPITAL BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

* * *

STATE OF _____ §
§
COUNTY OF _____ §

This document was acknowledged before me on the____ day of _____, 20____, by _____, _____ of TEXAS CAPITAL BANK, NATIONAL ASSOCIATION, known to me to be the person who executed this document in the capacity and for the purposes therein stated.

_____
Notary Public, State of _____

[NOTARY STAMP]

SCHEDULE A
(TO ASSIGNMENT OF INTERESTS IN MORTGAGE LOANS)

PARTICIPATION INTEREST SCHEDULE

[To Be Attached and Updated By Bank From Time to Time]

Exhibit 10.9

MASTER REPURCHASE AGREEMENT

Between

REDFIN MORTGAGE, LLC A DELAWARE LIMITED LIABILITY COMPANY

as Seller

and

WESTERN ALLIANCE BANK, AN ARIZONA CORPORATION

as Buyer

dated as of
June 15, 2017

MASTER REPURCHASE AGREEMENT

This MASTER REPURCHASE AGREEMENT (together with all exhibits and schedules attached hereto, this "Agreement") is made as of this 15th day of June, 2017, between Redfin Mortgage, LLC, a Delaware limited liability company ("Seller") and Western Alliance Bank, an Arizona corporation ("Buyer").

ARTICLE I.

APPLICABILITY

From time to time, Buyer agrees to purchase certain Mortgage Loans from Seller, on a servicing released basis, and Seller agrees to re-purchase such Purchased Loans, on a servicing released basis, in accordance with the terms of this Agreement (each a "Transaction") and each such Transaction shall be governed by this Agreement. This Agreement is not a commitment by Buyer to enter into any Transaction with Seller but rather sets forth the procedures to be used in connection with periodic requests by Seller, for Buyer to enter into a Transaction with Seller. Seller hereby acknowledges that Buyer is under no obligation to enter into any Transaction pursuant to this Agreement.

ARTICLE II.

CERTAIN DEFINITIONS

Section 2.01 DEFINITIONS. As used in this Agreement, the following terms shall, unless the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms of such terms and to the masculine, feminine and neuter genders of such terms):

"Actual Utilization Amount" shall have the meaning set forth in Section 3.07.

"Affiliate" of any Person means any other Person, directly or indirectly controlling, or controlled by, or under common control with such Person. For the purposes of this definition, "control" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting equity, by contract or otherwise.

"Agreement" is defined in the preamble.

"Approved Takeout Investor" means GNMA, Fannie Mae, Freddie Mac and any other investor listed on Schedule 2 as the same may be amended from time to time at the sole discretion of Buyer.

"Bailee Letter" shall have the meaning set forth in Section 4.04.

"Business Day" means any day except Saturday, Sunday or other day on which banks located in the city of Phoenix, Arizona are authorized or obligated by law or executive order to be closed and any day on which Buyer is authorized or obligated by law or executive order to be closed.

"Buyer" is defined in the preamble set forth above.

"Buyer's Repurchase Request" means a request executed by Buyer and delivered to Seller in substantially the form of Exhibit C.

"Cash" shall have the meaning set forth on Schedule 4.

"Cash Equivalents" shall have the meaning set forth on Schedule 4.

"Change of Control" means:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of 35% or more of the equity interests of any Seller Party (or its direct or indirect parent company) entitled to vote for members of the board of directors or equivalent governing body of the Seller Party (or its direct or indirect parent company) on a fully diluted basis; provided that, any change in ownership resulting from the completion of an initial public offering of the securities of Seller's immediate parent in accordance with the provisions of the Securities Act of 1933, as amended, shall not be considered a Change of Control; or

(b) Seller's immediate parent company shall cease to own and control, of record and beneficially, directly 100% of each class of capital stock of Seller free and clear of all Liens.

"Compliance Certificate" shall mean a compliance certificate delivered by Seller to Buyer, in form and substance satisfactory to Buyer, in its sole and absolute discretion.

"Consolidated" means the consolidation of any Person, with its properly consolidated subsidiaries, in accordance with GAAP.

"Conventional Mortgage Loan" means a Mortgage Loan, other than an FHA Loan or VA Loan, which complies with all applicable requirements for purchase under the Fannie Mae or Freddie Mac standard form of conventional mortgage purchase contract.

"Default" shall mean an Event of Default or an event that with the giving of notice or lapse of time or both would become an Event of Default.

"Eligible Mortgage Loan" means a Conventional Mortgage Loan, or other Mortgage Loan acceptable to Buyer in its sole and absolute discretion that satisfies the applicable criteria set forth on Schedule 3 and that, at all times during the term of this Agreement: (a) is evidenced by loan documents that are the standard forms approved by VA, FHA, Fannie Mae, or Freddie Mac or forms previously approved, in writing, by Buyer in its sole discretion; (b) is made to a natural person or persons, or individual's personal revocable trust; (c) is evidenced by a Mortgage Note made payable to the order of Seller; (d) is not in default in the payment of

principal and interest or in the performance of any obligation under the Mortgage Note or the Mortgage evidencing or securing such Mortgage Loan; (e) except as expressly permitted on Schedule 3 has closed less than 7 calendar days prior to the Purchase Date of such Mortgage Loan; (f) the Repurchase Date applicable to such Mortgage Loan has not occurred; (g) is not subject to a voluntary or involuntary bankruptcy or an act of fraud by the Mortgagor or any other related Person; (h) is or before its Repurchase Date will be fully covered by a Takeout Commitment; and (i) satisfies each of the applicable representations and warranties set forth in Section 6.02 hereof.

"Event of Default" shall have the meaning specified in Article IX hereof, provided that any requirement in connection with such event for the giving of notice or the lapse of time, or the happening of any further condition, event or act necessary for such event to constitute an Event of Default, has been satisfied.

"Event of Insolvency" means: (i) the filing of a petition, commencing, or authorizing the commencement of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law relating to the protection from creditors, or suffering any such petition or proceeding to be commenced by another with respect to any Seller Party or an Affiliate of any Seller Party; (ii) seeking or consenting to the appointment of a receiver, trustee, custodian or similar official for any Seller Party or an Affiliate of any Seller Party or any substantial part of the property of either; (iii) the appointment of a receiver, conservator, or manager for any Seller Party or an Affiliate of any Seller Party by any governmental agency or authority having the jurisdiction to do so; (iv) the making or offering by any Seller Party or an Affiliate of any Seller Party of a concession with its creditors or a general assignment for the benefit of creditors; (v) the admission by any Seller Party or an Affiliate of any Seller Party of any Seller Party's or such Affiliate's inability to pay its debts or discharge its obligations as they become due or mature; or (vi) any governmental authority or agency or any other Person acting or purporting to act under governmental authority shall have taken any action to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the property of any Seller Party or of any of its Affiliates, or shall have taken any action to displace the management of any Seller Party or of any of its Affiliates or to curtail its authority to conduct of the business.

"FHA" means the Federal Housing Administration or any successor thereto.

"FHA Loan" means a Mortgage Loan, payment of which is partially or completely insured by the FHA under the National Housing Act or Title V of the Housing Act of 1949 or with respect to which there is a current, binding and enforceable commitment for such insurance issued by the FHA.

"Fidelity Insurance" shall mean insurance coverage with respect to employee errors, omissions, dishonesty, forgery, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud.

"Fiscal Quarter" shall mean each period of three calendar months ending March 31, June 30, September 30 and December 31 of each year.

"Fiscal Year" shall mean each period of twelve (12) calendar months ending December 31 of each year.

"Fannie Mae" means the Federal National Mortgage Association or any successor thereto.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation or any successor thereto.

"GAAP" means generally accepted accounting principles in the United States of America, consistently applied.

"GNMA" means the Government National Mortgage Association or any successor thereto.

"Guarantor" shall have the meaning set forth on Schedule 4.

"Guaranty Agreement" means, with respect to each Guarantor, a Guaranty Agreement executed by each Guarantor, for the benefit of Buyer, guarantying all or any portion of the obligations of Seller to Buyer, in form and substance acceptable to Buyer in its sole and absolute discretion.

"Income" shall mean, with respect to any Purchased Loan at any time, any principal, interest, dividends or other distributions payable thereon.

"Index Rate" shall have the meaning set forth on Schedule 4.

"Investor Requirements" means, with respect to any Mortgage Loan, the documentation and other requirements (including, without limitation, all those set forth in the applicable Sale Agreement and Takeout Commitment) for the purchase by the Approved Takeout Investor of such Mortgage Loan.

"Leverage Ratio" shall have the meaning set forth on Schedule 4.

"Liabilities" shall have the meaning set forth on Schedule 4.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (whether statutory or otherwise), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction in respect of any of the foregoing).

"Liquid Assets" shall have the meaning set forth on Schedule 4.

"Market Value" at any time shall be determined by Buyer, in its sole and absolute discretion, based upon information then available to Buyer regarding quotes to dealers for the purchase of mortgage notes similar to the Mortgage Notes that have been delivered to Buyer pursuant to this Agreement.

"Material Adverse Effect" means, in each case as determined by Buyer in its sole and absolute discretion, a material adverse effect on: (a) the property, business, operations, financial condition or prospects of any Seller Party or any Affiliate, (b) the ability of any Seller Party or any Affiliate to perform its obligations under any of the Repurchase Documents to which it is a party, (c) the validity or enforceability of any of the Repurchase Documents, (d) the rights and remedies of Buyer under any of the Repurchase Documents, (e) the timely payment of any amounts payable under the Repurchase Documents, or (f) the Market Value of the Purchased Loans taken as a whole.

"Maturity Date" shall have the meaning set forth on Schedule 4.

"Maximum Dwell Date" shall have the meaning set forth in Section 3.06(a).

"Maximum Rate" means the maximum rate of non-usurious interest permitted by applicable law.

"MERS" means Mortgage Electronic Registration, Inc., a Delaware corporation, or any successor thereto.

"MERS Agreement" means that certain Electronic Tracking Agreement among Seller, Buyer, MERS and MERSCORP, Inc.

"MERS(R) System" means the system of recording transfers of mortgages electronically maintained by MERS.

"MIN" means, with respect to each Mortgage Loan, the Mortgage Identification Number for such Mortgage Loan registered with MERS on the MERS(R) System.

"Minimum Rate" means, with respect to any Purchased Loan, the minimum rate per annum applicable to such Purchased Loan as set forth in Schedule 3

"Minimum Utilization Amount" shall have the meaning set forth on Schedule 4.

"MOM Loan" means, with respect to any Mortgage Loan, MERS acting as the mortgagee of such Mortgage Loan, solely as nominee for Seller, as the case may be, of such Mortgage Loan.

"Monthly Payment" means a scheduled monthly payment of principal and interest on a Mortgage Loan.

"Mortgage" means the trust deed, mortgage, deed of trust, or other instrument creating a first–priority lien on real property securing a Mortgage Note.

"Mortgage Assets" shall have the meaning set forth in Section 3.04.

"Mortgage Documents" means, with respect to each Mortgage Loan, the documents and other items described on Schedule 1 hereto relating to such Mortgage Loan.

"Mortgage Loan" means a mortgage loan made to an individual person(s) or a person(s) individual revocable trust that is not a construction or non-residential commercial loan, is evidenced by a valid Mortgage Note, and is secured by a Mortgage that grants a perfected first-priority lien on a Single Family Dwelling. Any reference herein to a Mortgage Loan shall mean and include the Mortgage Assets relating thereto.

"Mortgage Note" means a promissory note evidencing the indebtedness of a Mortgagor under a Mortgage Loan.

"Mortgaged Property" means, with respect to any Mortgage Loan, the property covered by the Mortgage securing such Mortgage Loan.

"Mortgagor" means the current and unreleased obligor(s) on a Mortgage Note.

"Net Worth" shall have the meaning set forth on Schedule 4.

"Non-Utilization Fee" shall have the meaning set forth on Schedule 4.

"Obligations" means (a) any amounts due and payable by Seller to Buyer in connection with a Transaction hereunder, together with the Price Differential thereon (and including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) and all other fees or expenses which are payable hereunder or under any of the Repurchase Documents; and (b) all other obligations or amounts due and payable by Seller to Buyer under the Repurchase Documents.

"Operating Account" means the non-interest bearing demand checking account (whether one or more) established by Seller with Buyer which shall be used for Seller's operations.

"Par Value" shall mean, with respect to any Mortgage Loan at the time of any determination, the unpaid principal balance of such Mortgage Loan on such date.

"Person" means any individual, corporation, business trust, association, company, partnership, joint venture, governmental authority or other entity.

"Post-Default Rate" shall mean, at the time in question, with respect to all Obligations, the sum of (i) five percent (5%) per annum, plus (ii) the per annum Pricing Rate otherwise payable in respect of the Obligations, provided that in no event shall the Post-Default Rate ever exceed the Maximum Rate.

"Power of Attorney" means a Power of Attorney dated the date hereof executed by Seller for the benefit of Buyer in substantially the form of Exhibit D attached hereto.

"Pre-Tax Net Profit" shall have the meaning set forth on Schedule 4.

"Price Differential" means, with respect to any Purchased Loan as of any date, the aggregate amount obtained by daily application of the Pricing Rate (or, during the continuation of an Event of Default, by daily application of the Post Default Rate) for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the Repurchase Date (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction).

"Pricing Rate" means, with respect to any Purchased Loan, the rate per annum applicable to such Purchased Loan as set forth on Schedule 3.

"Purchase Acceptance Deadline" means with respect to any Mortgage Loan in a Purchase Request, 1:00 p.m. (Phoenix, Arizona time) on the requested Purchase Date.

"Purchase Date" means any day on which a Mortgage Loan is sold by Seller to Buyer.

"Purchase Fee" means a non-refundable fee, fully-earned at the time a Mortgage Loan is purchased in the amount set forth on Schedule 3.

"Purchase Price" means with respect to each Mortgage Loan purchased by Buyer on a Purchase Date, an amount equal to the applicable Purchase Price Percentage time the lesser of (i) the Takeout Commitment Price under the applicable Takeout Commitment, or (ii) the Par Value of the Mortgage Loan.

"Purchase Price Haircut" means, with respect to each Mortgage Loan purchased by Buyer on a Purchase Date, the difference between the amount necessary to be paid thereunder to fully fund the Mortgage Loan at its original closing and the Purchase Price.

"Purchase Price Percentage" means, with respect to any Eligible Mortgage Loan purchased by the Buyer on a Purchase Date, the purchase price percentage applicable to such Eligible Mortgage Loan as set forth on Schedule 3

"Purchase Request" means a request by Seller for the purchase of Mortgage Loans by Buyer made in the form of Exhibit A.

"Purchase Request Deadline" means 12:00 p.m. (Phoenix, Arizona time) on the requested Purchase Date.

"Purchased Loan" means a Mortgage Loan (including the Mortgage Assets relating thereto) purchased by Buyer hereunder.

"Purchased Loan File" shall mean the documents specified in Section 3.02 and Schedule 1, together with any additional documents and information required to be delivered to Buyer or its designee pursuant to this Agreement.

"Remaining Proceeds" shall have the meaning set forth in Section 4.04.

"Repurchase Date" means the date on which Seller is to repurchase the Purchased Loans subject to a Transaction from Buyer, which date shall be the earliest of: (i) the applicable date requested pursuant to Sections 4.01 or 4.02 hereof; (ii) any date determined by application of the provisions of Section 3.06(a), or (iii) the Termination Date, including any date determined by application of the provisions of Section 10.01.

"Repurchase Documents" means this Agreement, each Guaranty Agreement, the MERS Agreement, the Power of Attorney, and any and all other agreements, documents, and instruments executed and delivered in connection with any Transactions thereunder, and any amendments thereto, or restatements thereof, together with any and all renewals, extensions, restatements of, and amendments and modifications to, any such agreements, documents and instruments.

"Repurchase Price" means for any Purchased Loan repurchased by Seller hereunder or sold to an Approved Takeout Investor pursuant to Section 4.04 hereof, an amount equal to the sum of the following calculated as of the Settlement Date: (i) the Purchase Price paid by Buyer for such Purchased Loan; plus (ii) the Transaction Fees; plus (iii) accrued and unpaid Price Differential on such Purchased Loan at the Pricing Rate from the Purchase Date through the day immediately preceding the Settlement Date, both inclusive; plus (iv) all other fees Seller has agreed to pay Buyer under this Agreement or otherwise with respect to such Purchased Loan; plus (v) any other amount owed to Buyer hereunder with respect to the Repurchased Loan which is due but unpaid; less (vi) all Income on such Purchased Loan received by Buyer during such period; and less (vii) all Price Differential previously paid to Buyer in accordance with Section 3.06(b) hereof.

"Sale Agreement" means the agreement providing for the purchase by an Approved Takeout Investor of Mortgage Loans from Seller.

"Seller" is defined in the preamble as set forth above.

"Seller Party" means Seller, including Affiliates, and each Guarantor.

"Seller Repurchase Request" means a request executed by Seller and delivered to Buyer in substantially the form of Exhibit B.

"Seller's Concentration Limit" shall have the meaning set forth on Schedule 4.

"Servicer Files" means, with respect to any Mortgage Loan, all Mortgage Loan papers and documents required to be maintained pursuant to the Sale Agreement and all other papers and records of whatever kind or description, whether developed or originated by Seller, or others, required to document or service the Mortgage Loan including any other documentation included in the loan documentation package, excluding the Mortgage Documents.

"Settlement Account" means the non-interest bearing demand deposit account established by Seller with Buyer to be used for (i) the deposit of proceeds from the repurchase of a Purchased Loan, (ii) the deposit of all Income upon and during the continuance of an Event of Default, and (iii) the payment of the Obligations. The Settlement Account shall be pledged to Buyer, and Seller shall not be entitled to withdraw funds from the Settlement Account.

"Settlement Date" means, with respect to any Purchased Loan, the date of payment of the Takeout Proceeds by an Approved Takeout Investor to Buyer on behalf of Seller or the date of payment of the Repurchase Price by Seller to Buyer in connection with Seller's repurchase of such Purchased Loan.

"Single Family Dwelling" means residential real property consisting of land and a completedone-to-four unit single family dwelling or condominium unit (but not a manufactured home unit or a mobile home, a co-op, or a multi-family dwelling for more than four families) thereon which is fully completed and legally ready for occupancy.

"State of Organization" shall have the meaning set forth on Schedule 4.

"Sublimit" means the maximum aggregate amount of all Purchase Prices that is permitted to be outstanding at any one time for Purchased Loans in a specific type of Eligible Mortgage Loan, as set forth in Schedule 3 to this Agreement (expressed as a dollar amount or a percentage of Seller's Concentration Limit).

"Subordinated Debt" shall have the meaning set forth on Schedule 4.

"Successor Servicer" means an entity designated by Buyer, with notice provided in conformity with Section 8.05, to replace Seller, as servicer of the Mortgage Loans.

"Takeout Commitment" means a written commitment of an Approved Takeout Investor to purchase any Mortgage Loan or a pool of Mortgage Loans under which such Mortgage Loan(s) will be delivered to such Approved Takeout Investor on terms satisfactory to Buyer, in its reasonable discretion.

"Takeout Commitment Price" means, with respect to any Mortgage Loan, the purchase price the applicable Approved Takeout Investor has agreed to pay for such Mortgage Loan under the related Takeout Commitment.

"Takeout Proceeds" means, with respect to any Purchased Loan, the proceeds received from the sale of the Purchased Loan under the Takeout Commitment.

"Termination Date" means the date on which this Agreement shall be terminated in accordance with the provisions of Section 11.13 hereof.

"Third Party Underwriter" means any third party, including but not limited to a mortgage loan pool insurer, who underwrites a Mortgage Loan prior to the purchase thereof by Buyer.

"Third Party Underwriter's Certificate" means a certificate issued by a Third Party Underwriter with respect to a Mortgage Loan, certifying that such Mortgage Loan complies with its underwriting requirements.

"Transaction" has the meaning set forth in Article I.

"Transaction Fees" means the amounts specified on Schedule 3, which are due and payable by Seller to Buyer.

"Transfer Taxes" means any tax, fee or governmental charge payable by Seller or Buyer to any federal, state or local government attributable to the assignment of a Mortgage Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of Arizona.

"VA" means the United States Department of Veterans Affairs.

"VA Loan" means a Mortgage Loan, payment of which is partially or completely guaranteed by the VA under the Servicemen's Readjustment Act of 1944 or Chapter 37 of Title 38 of the United States Code or with respect to which there is a current binding and enforceable commitment for such a guaranty issued by the VA.

"Wet Sublimit" shall have the meaning set forth on Schedule 4.

Section 2.02 TERMS GENERALLY. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Unless the context requires otherwise: (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement. Terms used herein, which are defined in the UCC, unless otherwise defined herein, shall have the meanings determined in accordance with the UCC.

ARTICLE III.

PURCHASE OF MORTGAGE LOANS AND SALE TO APPROVED TAKEOUT INVESTOR

Section 3.01 REQUEST FOR PURCHASE OF MORTGAGE LOANS. Subject to the terms and conditions of this Agreement, Seller may, in its sole and absolute discretion, offer to sell to Buyer, and Buyer may, in its sole and absolute discretion, agree to purchase from Seller, one or more Mortgage Loans on the terms and conditions set forth herein. Notwithstanding any other provision of this Agreement, Seller understands that Buyer's consideration of any such Purchase Request constitutes an independent decision which Buyer retains the sole and absolute discretion to make and that no commitment to make any purchase is hereby given by Buyer. Buyer commits that if it decides not to purchase a loan, it will notify Seller within one Business Day. **Seller acknowledges that Buyer will not consider purchasing a Mortgage Loan on any date if, as of such date: (a) a Default exists, (b) the aggregate outstanding balance of Purchased Loans with original Mortgage Notes not in Buyer's possession equals or exceeds the Wet Sublimit, (c) any applicable Sublimit hereunder is exceeded, or (d) the aggregate outstanding principal balance of all Purchased Loans which Buyer continues to own on such date equals or exceeds Seller's Concentration Limit.**

Section 3.02 PROCEDURES FOR PURCHASE OF MORTGAGE LOANS. Seller may request that Buyer purchase one or more Mortgage Loans by delivering or causing to be delivered to Buyer a Purchase Request and the items listed in Schedule 1 for each such Mortgage Loan no later than the Purchase Request Deadline. Each Mortgage Loan included in such Purchase Request must be an Eligible Mortgage Loan. Buyer shall notify Seller whether or not Buyer agrees to purchase any Mortgage Loan included in such Purchase Request on or before Purchase Acceptance Deadline.

Section 3.03 PURCHASE PRICE. If Buyer agrees to purchase a Mortgage Loan described in any Purchase Request, then in consideration of the sale by Seller to Buyer of such Mortgage Loans and the transfer of the Mortgage Documents relating thereto, Buyer shall, on the Purchase Date, cause the Purchase Price relating to such Mortgage Loan in the form of cash by federal wire transfer (same day) to be paid to the applicable title company. Buyer shall have no obligation to pay the Purchase Price with respect to any Mortgage Loan until the Purchase Price Haircut is or has been paid by Seller and satisfactory evidence of such payment has been provided to Buyer.

Section 3.04 ASSIGNMENT. Effective upon the payment by Buyer of the Purchase Price with respect to each Mortgage Loan submitted for purchase hereunder, Seller hereby sells, assigns and transfers to Buyer, all of Seller's right, title and interest in and to the Mortgage Loan identified in the Purchase Request (including the Mortgage Assets relating thereto). The term "Mortgage Assets" means, with respect to each Mortgage Loan, all right, title and interest of Seller in the following relating to such Mortgage Loan: (i) all Mortgage Documents; (ii) all Monthly Payments received thereon after such Purchase Date and all other right to receive any payment made under the Mortgage Documents; (iii) all insurance policies and insurance proceeds related to any Purchased Loan or the related Mortgaged Property, including without limitation, related title, hazard, or mortgage or other insurance policies and proceeds thereunder; (iv) all escrow and other amounts held by Seller in connection therewith; (v) the servicing rights, (vi) the Servicing File, (vii) the real property and improvements securing the Mortgage Loan, including all rights of Seller as mortgagee with respect to such real property and improvements, (viii) all supporting obligations, including any insurance or guaranty of the Mortgage Loan by FHA, Fannie Mae or other governmental related entity; (ix) the Takeout Commitment for such Mortgage Loan and the Takeout Proceeds payable thereunder; (x) all Income relating thereto, and (xi) all of the following relating to, or arising from or in connection with, such Mortgage Loan: accounts (including interest in escrow accounts) and other payments, rights of payment, contract rights, money, chattel paper, instruments, general intangibles, commercial tort claims, any other property related to the Mortgage Loan, and all products and proceeds of the Mortgage Loan and of any of the other property described in this definition. If a Purchased Loan is registered on the MERS® System, Seller shall enter the name of Buyer in the "Interim Funder" category of such system with respect to such Purchased Loan.

Section 3.05 NO ASSUMPTION. The foregoing assignment, transfer and conveyance does not constitute and is not intended to result in any assumption by Buyer of any obligation of Seller to the Mortgagors, the Approved Takeout Investors, the insurers or any other Person in connection with any Purchased Loan.

Section 3.06 REPURCHASE DATE, PRICE DIFFERENTIAL.

(a) The Repurchase Date for each Purchased Loan shall not be later than the last day of the Repurchase Period which is specified in Schedule 3 for such Purchased Loan (the "Maximum Dwell Date").

(b) Notwithstanding that Buyer and Seller intend that the Transactions hereunder be sales to Buyer of the Purchased Loans, Seller shall pay to Buyer the accrued and unpaid Price Differential (less any amount of such Price Differential previously paid by Seller to Buyer) on the first (1st) day of each month, commencing with the first month following the date of this Agreement, and continuing on the first (1st) day of each succeeding month thereafter until this Agreement has been terminated and the entire unpaid Repurchase Prices have been paid to Buyer, in full.

Section 3.07 NON-UTILIZATION FEE. On a monthly basis and on the Termination Date, Buyer shall determine the average aggregate Purchase Prices outstanding during the preceding calendar month (or with respect to the Termination Date, during the period from the date through which the last calculation has been made to the Termination Date) (the "Actual Utilization Amount") by dividing (a) the sum of the aggregate Purchase Prices outstanding on each day during such period, by (b) the number of days in such period. If the Actual Utilization Amount for any such period is less than the Minimum Utilization Amount, Seller shall pay to Buyer on such date, a Non-Utilization Fee for such period. If the utilization in any period is greater than or equal to the Minimum Utilization Amount, Buyer shall not be paid a Non-Utilization Fee for that period. All payments shall be made to Buyer in Dollars, in immediately available funds, without deduction, setoff or counterclaim.

Section 3.08 SECURITY INTEREST. Although the parties intend that all Transactions hereunder be sales and purchases (other than for accounting and tax purposes) and not loans, in the event any such Transactions are deemed to be loans, Seller hereby pledges to Buyer as security for the performance by Seller of its Obligations and hereby grants, assigns and pledges to Buyer a first-priority security interest in the Purchased Loans, the servicing, records and , any other property relating to any Purchased Loan or the related Mortgage Assets, the Operating Account, the Settlement Account, and in all instances, including, but not limited to, any products or proceeds of any of the foregoing, whether now owned or hereafter acquired, now existing or hereafter created (collectively, the "Repurchase Assets").

ARTICLE IV.

REPURCHASES

Section 4.01 REPURCHASE IN GENERAL. Seller unconditionally and irrevocably agrees to repurchase from Buyer each Purchased Loan on or before the Repurchase Date therefore by payment of the Repurchase Price in the form of cash by federal wire transfer (same day) funds to Buyer. If the proposed Repurchase Date is before both the Maximum Dwell Date or the Termination Date, then (i) Seller shall submit a Seller's Repurchase Request not less than one (1) Business Day prior to the date on which Seller wishes to consummate the repurchase and (ii) the date designated in Seller's Repurchase Request shall be the "Repurchase Date" with respect to each Purchased Loan identified therein. Each repurchase by Seller shall be on a whole-loan, servicing-released basis without recourse, representation or warranty of Buyer, at the Repurchase Price.

Section 4.02 IMMEDIATE REPURCHASE. Seller unconditionally and irrevocably agrees to repurchase from Buyer each Purchased Loan immediately, if:

(a) Buyer identifies any evidence of fraud or material misrepresentation in the origination, creation or underwriting of a Purchased Loan by Seller or the sale of the Purchased Loan to Buyer; or

(b) Buyer is unable to sell the Purchased Loan to the Approved Takeout Investor who has issued the Takeout Commitment for any reason; or

(c) the Purchased Loan is not an Eligible Mortgage Loan; or

(d) any of Seller's representations or warranties set forth herein applicable to the Purchased Loan are determined by Buyer to be untrue in any respect as of the Purchase Date for the Purchased Loan, then Buyer may require Seller to repurchase the affected Purchased Loan by the delivery to Seller of a Buyer's Repurchase Request.

Seller unconditionally and irrevocably agrees to repurchase each such Purchased Loan identified on a Buyer's Repurchase Request One (1) Business Day after Seller's receipt of Buyer's Repurchase Request by the payment of the Repurchase Price on such day in the form of cash by federal wire transfer (same day) funds to Buyer. Such repurchase shall be on a whole-loan, servicing-released basis without recourse, representation or warranty of Buyer, at the Repurchase Price.

Section 4.03 RE-ASSIGNMENT. Effective on the date of payment by Seller to Buyer of the Repurchase Price for a Purchased Loan, Buyer hereby sells, assigns and transfers to Seller, all of Seller's right, title and interest in and to the Purchased Loan identified in the applicable repurchase request (including the Mortgage Assets relating thereto). The assignment by Buyer under this Section 4.03 is without recourse, representation or warranty to Buyer; provided that Buyer represents that the Purchased Loan is free of any Lien created by, through or under Buyer and Buyer has not transferred the Purchased Loan to any other Person.

Section 4.04 NOTE SHIPMENT TO APPROVED TAKEOUT INVESTORS. Provided that no Default or Event of Default exists, if Seller desires that Buyer send a Mortgage Note to facilitate the sale of the Purchased Loans to the applicable Approved Takeout Investor under the applicable Takeout Commitment, rather than to Seller directly in connection with its repurchase of the related Purchased Loans, then Seller shall prepare and send to Buyer shipping instructions to instruct Buyer when and how to send such Mortgage Note to such Approved Takeout Investor. If shipping instructions are received by Buyer before 2:00 p.m. (Phoenix, Arizona Time) of any Business Day, Buyer will ship such Mortgage Note under a Bailee letter in form and substance reasonably satisfactory to Buyer (the "Bailee Letter") to the applicable Approved Takeout Investor on the same Business Day, otherwise Buyer will ship the documents the next Business Day following receipt of shipping instructions. Under the Bailee Letter delivered thereunder, Takeout Proceeds for each Purchased Loan are required to be sent to

Buyer. Buyer shall deduct the Repurchase Price for each Purchased Loan from the Takeout Proceeds. If the Takeout Proceeds of any such sale of such Purchased Loans are insufficient to cover the aggregate Repurchase Prices for such Purchased Loans, Seller will pay to Buyer the amount of any such deficiency on the Settlement Date in the form of cash by federal wire transfer (same day) funds to Buyer. If the Takeout Proceeds of any such sale of such Purchased Loans are greater than the sum of the aggregate Repurchase Prices for such Purchased Loans (the positive difference herein referred to as the "Remaining Proceeds"), Buyer shall pay to Seller, as additional consideration for Seller's sale of such Purchased Loans to Buyer and to compensate Seller for the servicing obligations under this Article VIII, the Remaining Proceeds within two (2) Business Days of the Settlement Date.

ARTICLE V.

CONDITIONS PRECEDENT

Section 5.01 INITIAL PURCHASE. Buyer's obligation to enter into the initial Transaction hereunder, is subject to the satisfaction, immediately prior to or concurrently with the making of such Transaction, of the condition precedent that Buyer shall have received from Seller any fees and expenses then due and payable hereunder, and all of the following documents, each of which shall be satisfactory to Buyer in form and substance:

(a) Documents. The Repurchase Documents (including, but not limited to, this Agreement, each Guaranty Agreement, the MERS Agreement, the Power of Attorney and the Compliance Certificate) shall be duly executed, issued and/or delivered by the parties thereto and delivered to Buyer.

(b) Authorization. Buyer shall have received such documents and certificates as Buyer or its counsel may reasonably request relating to the organization, existence and good standing of each Seller Party, the authorization of the transactions contemplated by the Repurchase Documents and any other legal matters relating to Seller Parties, the Repurchase Documents or the transactions contemplated thereby, all in form and substance satisfactory to Buyer and its counsel.

(c) Fees and Expenses. Buyer shall have received all fees and other amounts due and payable on or prior to the date hereof, including, to the extent invoiced, reimbursement or payment of all out of pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by Seller under the Repurchase Documents.

(d) UCC Matters. Buyer shall have received: (i) the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to Seller in the jurisdiction in which Seller is organized and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to Buyer that any Liens reflected thereon encumbering any of the Purchased Loans or other property sold to Buyer hereunder have been released; and (ii) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by Buyer to be filed, registered or recorded to create or perfect the Liens intended to be created under this Agreement and to otherwise protect or perfect Buyer's interests in the Purchased Loans.

(e) Insurance. Seller shall have delivered to Buyer evidence that Seller has added Buyer as an additional loss payee under its Fidelity Insurance and copies thereof.

(f) Other Documents. Seller shall have delivered to Buyer such other documents as Buyer may reasonably request.

Section 5.02 CONDITIONS TO ALL PURCHASES. All purchases of Mortgage Loans by Buyer are subject to the satisfaction of the following conditions:

(a) No Default. No Default or Event of Default shall have occurred and be continuing under the Repurchase Documents;

(b) Representations and Warranties True. Both immediately prior to the Transaction and also after giving effect thereto the representations and warranties made by Seller in Sections 6.01 and 6.02 hereof, shall be true, correct and complete on and as of such Purchase Date in all respects with the same force and effect as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific earlier date, as of such specific earlier date).

(c) Files Marked; Files and Records Owned by Buyer. Seller shall, at its own expense, on or prior to each Purchase Date, indicate in its files that the Mortgage Loans sold to Buyer on such Purchase Date have been sold, assigned and transferred to Buyer pursuant to this Agreement. Further, Seller hereby agrees that the computer files and other physical records of the Mortgage Loans maintained by Seller will bear an indication reflecting that the Mortgage Loans have been sold, assigned and transferred to Buyer pursuant to this Agreement.

(d) Purchase Decision. Buyer shall have determined in its sole discretion to purchase the Mortgage Loan hereunder.

(e) Other Documents. Seller shall have delivered to Buyer such other documents as Buyer may reasonably request.

Each Purchase Request shall be deemed to constitute a representation and warranty by Seller on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES OF SELLER

Section 6.01 GENERAL REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants that, as of the date hereof and as of each Purchase Date (except for the representations and warranties contained in Sections 6.01(c) through (h), which shall be true and correct at all times):

(a) Organization and Authority. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted, and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. Seller is not operating

under any type of agreement or order (including, without limitation, a supervisory agreement, memorandum of understanding, cease and desist order, capital or supervisory directive, or consent decree) with or by the Consumer Financial Protection Bureau or any other applicable regulatory authority, and Seller is in compliance with any and all capital, leverage and other financial requirements imposed by any applicable regulatory authority. Seller has obtained all licenses and effected all registrations required under all applicable local, state and federal laws, regulations and orders by virtue of any of the activities conducted, or property owned, by it.

(b) Authority. Seller has all requisite power and authority to execute and deliver the Repurchase Documents, to perform in accordance with each of the terms thereof, and to enter into and consummate all transactions contemplated by the Repurchase Documents. Seller has duly executed and delivered the Repurchase Documents.

(c) No Conflicts. Neither the execution and delivery of any of the Repurchase Documents, the acquisition and/or making of each Mortgage Loan by Seller, the sale of each Mortgage Loan to Buyer, the consummation of the other transactions contemplated by the Repurchase Documents nor any other fulfillment of or compliance with the terms and conditions of any Repurchase Document will conflict with or result in a breach or violation of: (i) any of the terms, conditions or provisions of any of the Seller's organizational documents, (ii) any law, rule, regulation, order, judgment or decree to which Seller or any of its property is subject; or (iii) any agreement or instrument to which Seller is now a party or by which it is bound (including, without limitation, any Takeout Commitment or Sale Agreement).

(d) No Consent Required. No consent, approval, authorization, order or review by or on behalf of any Person, court, authority or agency, governmental or otherwise, is required for the execution and performance by Seller of, or compliance by Seller with, any Repurchase Document.

(e) No Litigation Pending. There is no action, suit, proceeding, inquiry, review, audit or investigation pending or threatened against Seller or Seller Parties: (i) that could reasonably be expected to have any Material Adverse Effect; (ii) which would draw into question the validity of any Mortgage Loan or enforceability of any Mortgage Documents; or (iii) which would be likely to materially impair the ability of Seller to perform its Obligations under any Repurchase Document.

(f) Compliance with Laws and Agreements. Seller is in material compliance with all laws, regulations and orders of any governmental authority applicable to it or its property and all indentures, agreements and other instruments (including, without limitation, each Sale Agreement and each Takeout Commitment) binding upon it or its property.

(g) Disclosure. No reports, financial statements, certificates or other information furnished by or on behalf of Seller to Buyer in connection with this Agreement or any other Repurchase Document or delivered hereunder or thereunder contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Name; Locations; Organizational Identification Numbers. Seller's exact legal name is set forth in the preamble of this Agreement and Seller does not do business under any other names. Seller is the type of entity specified in the preamble of this Agreement and is organized under the laws of its State of Organization. Within the last four completed calendar months prior to the date hereof, Seller has not had any other chief executive office or jurisdiction of organization. Seller is a registered organization and its organizational identification number issued by its State of Organization and federal employee tax identification number provided to Buyer are accurate and correct.

Section 6.02 REPRESENTATIONS AND WARRANTIES OF SELLER REGARDING EACH MORTGAGE LOAN Seller hereby represents and warrants as to each Mortgage Loan sold hereunder, that:

(a) Title and Encumbrances. Seller has good title to, and is the sole owner of, the Mortgage Loan. The sale and assignment of the Mortgage Loan contemplated by this Agreement validly transfers the Mortgage Loan to Buyer free and clear of any Lien or any other encumbrance.

(b) Underwriting, Origination and Servicing. Except as expressly otherwise permitted in Schedule 3, the Mortgagor has a credit score of at least 620, issued by an institution acceptable to Buyer and the Mortgage Loan otherwise complies with the Investor Requirements. The Mortgage Loan has been underwritten, originated and serviced in compliance with: (i) all of the Investor Requirements (including, without limitation, those of Fannie Mae, GNMA or Freddie Mac), (ii) Seller's underwriting standards and procedures; and (iii) all other applicable law, rules, regulations and guidelines. The underwriting, origination and servicing of the Mortgage Loan has been in all respects legal, proper, prudent and customary, and has conformed to customary standards of the residential mortgage origination and servicing business. Without limiting the generality of the foregoing, all federal and state laws, rules and regulations applicable to the Mortgage Loan have been complied with (including, without limitation, the following: the Real Estate Settlement Procedures Act; the Flood Disaster Protection Act; the Federal Consumer Credit Protection Act, the Truth–in–Lending and Equal Credit Opportunity Acts, statutes, rules or regulations governing fraud, lack of consideration, unconscionability, consumer credit transactions and interest charges) and all consumer disclosures have been properly and timely given to Mortgagor and any guarantor.

(c) Proper Licensing and Qualification. All parties which have had any interest in the Mortgage Documents, whether as mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were): (i) in compliance with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged Property is located, and (ii) organized under the laws of such state, or qualified to do business in such state, or a federal savings and loan association or national bank having its principal offices in such state, or not doing business in such state so as to require qualification as a foreign entity in order to use the courts of such state to enforce the Mortgage Documents.

(d) No Defenses to Sale. The sale of the Mortgage Loan is not subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of this Agreement, or the exercise of any right hereunder, render the sale unenforceable, in whole or in part, or subject to any right of rescission, set off, counterclaim or defense, and no such right of rescission, set off, counterclaim or defense has been asserted with respect thereto.

(e) Terms of Mortgage Documents. Each Mortgage Document contains customary and enforceable provisions which render the rights and remedies of the holder adequate to the benefits of the security against the Mortgaged Property, including: (i) in the case of a Mortgage Document designed as a deed of trust, by trustee's sale, (ii) by summary foreclosure, if available under applicable law, and (iii) otherwise by foreclosure, and there are no homestead or other exemptions of dower, courtesy or other rights or interests available to the Mortgagor or the Mortgagor's spouse, survivors or estate, or any other Person that would, or could, interfere with such right to sell at a trustee's sale or right to foreclose, except for those arising by operation of law. To the extent necessary to protect the interests of the holder of the Mortgage Note and the Mortgage Documents, and as permitted by applicable law, both spouses are signatories on, and jointly and severally liable under, the Mortgage Note and the Mortgage Documents.

(f) Enforceability. The Mortgage Loan is a binding and valid obligation of the Mortgagor thereon, in full force and effect and enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar terms affecting creditor's rights in general and by general principles of equity. The Mortgage Loan is genuine in all respects as appearing on its face and as represented in the books and records of Seller, and all information set forth in the Mortgage Documents is true and correct.

(g) No Default under or Defenses to the Mortgage Loan. The Mortgage Loan is free of any default of any party thereto (including Seller), counterclaims, offsets and defenses, including the defense of usury, and not subject to any right of rescission, cancellation or avoidance, and all right thereof, whether by operation of law or otherwise. The Mortgagor is not in bankruptcy, no lawsuit or other proceeding has been filed against the Mortgagor with respect to the Mortgage Loan and the Mortgage Loan is not subject to any foreclosure or similar proceeding.

(h) Entire Agreement. Where required, the Mortgage Documents have been prepared by a licensed attorney and have not been modified or amended in any respect not expressed in writing therein and the Mortgage Loan is free of any concessions or understandings with the Mortgagor thereon of any kind not expressed in writing in the Mortgage Documents. Without limiting the generality of the forgoing, Seller has not made arrangements with the Mortgagor for any payment forbearance or future refinancing with respect to the Mortgage Loan except to the extent provided in the related Mortgage Documents.

(i) Takeout Commitment. An Approved Takeout Investor has committed to purchase the Mortgage Loan pursuant to a Takeout Commitment for an amount which will not be less than the Repurchase Price which is in full force and effect and is valid binding and enforceable except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar terms affecting creditor's rights in general and by general principles of equity. The Mortgage Loan may be sold to the Approved Takeout Investor under the Takeout Commitment after its purchase by Buyer hereunder.

(j) Status of Payments. All advance payments and other deposits on the Mortgage Loan have been paid in cash, and no part of said sums has been loaned, directly or indirectly, by Seller to the Mortgagor, and there have been no prepayments.

(k) Maturity and Interest Rate. The Mortgage Loan matures no later than thirty (30) years after the Purchase Date, the principal amount of the Mortgage Loan will amortize over the term of the Mortgage Loan and is repayable in equal monthly installments of principal and interest.

(l) Appraisal. The appraisal made with respect to the Mortgaged Property was made by an appraiser who is licensed or certified as appropriate under applicable state law and meets the minimum qualifications for appraisers required by Buyer and the Investor Requirements.

(m) Collateral. The Mortgage Loan is secured by a first lien on Mortgaged Property consisting of a completed Single Family Dwelling which is not used for commercial purposes and which is not under construction or other renovation. There are no delinquent taxes, insurance premiums, water, sewer and municipal charges, governmental assessments or any other outstanding charges affecting the Mortgaged Property. The Mortgaged Property is free of damage and in good repair, is free from toxic materials or other environmental hazards, no notice of condemnation has been given with respect to the Mortgaged Property and the Mortgaged Property is in compliance with local, state or federal laws or regulations designed to protect the health and safety of the occupants of the Mortgage Property. All improvements included for the purpose of determining the appraised value of the Mortgaged Property lie wholly within the boundaries, the building restriction lines and the setback lines of the Mortgaged Property, and no improvements or structures of any kind on adjoining properties encroach upon the Mortgaged Property. If the Mortgage is a deed of trust, a trustee duly qualified under applicable law to serve as such is properly named, designated and serving. Except in connection with a trustee's sale after default by the Mortgagor, no fees or expenses are or will become payable by Seller or Buyer to the trustee under any such deed of trust.

(n) Closing; Future Purchases. The Mortgage Loan has been closed less than seven (7) calendar days prior to the Purchase Date of such Mortgage Loan in accordance with this Agreement and there is no requirement for future advances thereunder.

(o) Title Policy. A commitment or policy for title insurance, in the form and amount required by the Sale Agreement, Takeout Commitment and the other Investor Requirements is in effect as of the closing of the Mortgage Loan, is valid and binding, and remains in full force and effect. No claims have been made under such title insurance policy and no holder of the related mortgage, including Seller, has done or omitted to do anything which would impair the coverage of such title insurance policy. As to each Mortgage Loan secured by a Mortgaged Property located in Iowa, and if an American Land Title Association (ALTA) policy of title insurance has not been provided, an attorney's certificate, in the form and amount required by this Agreement, duly delivered and effective as of the closing of each such Mortgage Loan, is valid and binding, and remains in full force and effect.

(p) Mortgage Insurance. If required by the Sale Agreement, the Takeout Commitment, or any other Investor Requirements, primary mortgage insurance has been obtained, the premium has been paid, and the mortgage insurance coverage is in full force and effect meeting the requirements of the Investor Requirements.

(q) Casualty and Flood Insurance. The Mortgaged Property covered by the Mortgage Loan is insured against loss or damage by fire and all other hazards normally included within standard extended coverage in accordance with the provisions of the Mortgage Loan with Seller named as a loss payee thereon. The improvements upon the Mortgaged Property are insured against flood if required under the National Flood Insurance Act of 1968, as amended. The Mortgage Documents require the Mortgagor to maintain such casualty and if applicable, flood insurance at the Mortgagor's cost and expense, and on the Mortgagor's failure to do so, authorizes the holder of the Mortgage Documents to obtain and maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefore from the Mortgagor.

(r) Third Party Guaranty or Insurance. If the Mortgage Loan is insured or guaranteed by FHA, Fannie Mae, GNMA, or some other governmental related entity, such insurance or guaranty is in full force and effect and no action has been taken or failed to be taken which has resulted or will result in an exclusion from, denial of, or defense to, coverage under any such insurance or guarantee.

(s) MERS. If the Mortgage Loan is registered on the MERS(R) System, Seller has entered the name of Buyer in the "Interim Funder" category of such system with respect to such Mortgage Loan.

(t) Third Parties in Possession. No third party Person other than the applicable title company or the applicable County Recorder's Office has possession of any of the Mortgage Documents.

ARTICLE VII.

COVENANTS OF SELLER

Seller further covenants and agrees with Buyer as follows:

Section 7.01 FURTHER ASSURANCES. Seller will, at its expense as from time to time reasonably requested by Buyer, promptly execute and deliver all further instruments, agreements, filings and registrations, and take all further action, in order to confirm and validate this Agreement and Buyer's rights and remedies hereunder, or to otherwise give Buyer the full benefits of the rights and remedies described in or granted under this Agreement and the other Repurchase Documents. Seller hereby authorizes Buyer to file such UCC financing statements as Buyer may deem necessary naming Seller as debtor and describing the sale of Purchased Loans hereunder.

Section 7.02 NAME CHANGE. At least ten (10) Business Days prior to making any change in its name, identity, jurisdiction of organization or organizational structure which would make any financing statement or continuation statement filed in accordance with this Agreement seriously misleading, Seller shall give Buyer written notice thereof. Upon receipt of such notice, Buyer is authorized to file such UCC financing statements or amendments to existing UCC financing statements as Buyer may deem necessary in connection with any such change.

Section 7.03 TRANSFER TAXES. In the event that Buyer receives actual notice of any Transfer Taxes arising out of the transfer, assignment and conveyance of the Mortgage Loans on written demand by Buyer or upon Seller's otherwise being given notice thereof by Buyer, Seller shall pay, indemnify, and hold harmless Buyer for, from and against, on an after-tax basis, any and all such Transfer Taxes (it being understood that Buyer shall have no obligation to pay such Transfer Taxes).

Section 7.04 FINANCIAL STATEMENTS AND REPORTS. Seller shall furnish to Buyer, in form and detail reasonably satisfactory to Buyer, the financial statements and reports set forth on Schedule 4.

Section 7.05 NOTICES OF MATERIAL EVENTS. Seller will furnish to Buyer prompt written notice of the following:

(a) the occurrence of any default or any event of default under any Mortgage Loan;

(b) the discovery that Seller's representations and warranties applicable to any Mortgage Loan are untrue in any respect;

(c) the filing or commencement of any action, suit or proceeding by or before any arbitrator or governmental authority against or affecting Seller or any Mortgage Loan; and

(d) any other development that results in, or could reasonably be expected to result in, a material adverse effect on any Purchased Loan or the ability of Seller to fulfill its obligations hereunder.

Each notice delivered under this Section shall be accompanied by a statement of a financial officer or other executive officer of Seller setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 7.06 INSURANCE AND GUARANTEES. Seller will cooperate fully and in a timely manner with Buyer in connection with: (i) the filing of any claims with an insurer or guarantor or any agent of any insurer or guarantor under any insurance policy or guaranty affecting a Mortgagor or any of the Mortgaged Property; (ii) supplying any additional information as may be requested by Buyer or any such agent or insurer in connection with the processing of any such claim; and (iii) the sale of any Mortgage Loan under a Takeout Commitment. Seller shall take all such actions as may be reasonably requested by Buyer to protect the rights of Buyer in and to any proceeds under any and all of the foregoing insurance policies and Takeout Commitments. Seller shall not take or cause to be taken any action which would impair the rights of Buyer in and to any proceeds under any of the foregoing insurance policies or Takeout Commitments.

Section 7.07 BOOKS AND RECORDS; INSPECTION AND AUDIT RIGHTS. Seller will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities, including Seller's underwriting of each Mortgagor, Seller's servicing of the Purchased Loans and the other transaction contemplated by the Repurchase Documents. Seller will permit any representatives designated by Buyer (including Buyer's auditors and governmental examiners), upon no less than 5 Business Days' prior notice, no more frequently than annually unless Seller is in default under the Repurchase Documents, to visit during normal business hours, inspect and audit its books and records, and to discuss the transactions contemplated by any Repurchase Documents with its officers and employeeswho are subject to the confidentiality provisions of this Agreement.

Section 7.08 COMPLIANCE WITH LAWS AND AGREEMENTS. Seller will comply with: (a) all laws, rules, regulations and orders of any governmental authority applicable to it or its property; (b) each Sale Agreement, each Takeout Commitment and all other requirements of all Approved Takeout Investors who have committed to purchase Mortgage Loans purchased by Buyer hereunder; and (c) all other agreements binding upon it or its property.

Section 7.09 LIENS. Seller will not create, incur, assume or permit to exist any Lien on any Mortgage Loan or any Mortgage Property except as contemplated by this Agreement.

Section 7.10 EXISTENCE; CONDUCT OF BUSINESS. Seller will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business.

Section 7.11 FINANCIAL COVENANTS. Seller covenants and agrees that, until the satisfaction and payment in full of all of the Obligations of Seller to Buyer, Seller will comply with each of the financial covenants set forth on Schedule 4.

ARTICLE VIII.

SERVICING OF THE MORTGAGE LOANS

Section 8.01 SERVICING. Upon payment of the Purchase Price for a Purchased Loan, Buyer shall own each Purchased Loan, all rights to service such Purchased Loan, all Servicer Files and Mortgage Documents for such Purchased Loan and all derivative information created by Seller or other third party used or useful in servicing such Purchased Loan. As a condition of purchasing a Mortgage Loan, Buyer may require Seller to service such Mortgage Loan as subservicer for Buyer for a term of thirty (30) days, which is renewable as provided in Section 8.05 below. Seller (or a sub-subservicer approved by Buyer) shall service and administer such Purchased Loan on behalf of Buyer in accordance with prudent Mortgage Loan servicing standards and procedures generally accepted by prudent buyers in the mortgage banking industry and in accordance with the Investor Requirements, provided that Seller shall at

all times comply with the Investor Requirements, applicable law, the terms of the related Mortgage Documents and the requirements of any applicable insurer or guarantor. At the request and in accordance with the directions of Buyer, Seller shall deliver to Buyer copies of any Servicer Files in its possession within three (3) Business Days of such request by Buyer.

Section 8.02 PAYMENTS ON PURCHASED LOANS. Seller shall endeavor to collect or cause to be collected, as and when due, any and all amounts owing under each Purchased Loan. Collections received in respect of the Purchased Loans shall be deposited into the Settlement Account and held in trust for the Buyer as the owner of such amounts until the Settlement Date.

Section 8.03 SALE OF PURCHASED LOANS TO APPROVED TAKEOUT INVESTORS To facilitate the sale of the Purchased Loans to the applicable Approved Takeout Investor under the applicable Takeout Commitment, but subject to the provisions of Section 4.04 hereof, Buyer hereby appoints Seller as its agent and authorizes Seller to take only such actions on its behalf as are necessary to sell each Purchased Loan to the applicable Approved Takeout Investor under the related Takeout Commitment. Seller agrees to take such action as is necessary to sell each Purchased Loan under the applicable Takeout Commitment to the applicable Approved Takeout Investor in Seller's own name. Subject to the provisions of Section 4.04 hereof, Seller agrees to execute any and all further documents, agreements and instruments, and take all such further actions, which may be required under the Investor Requirements, or which Buyer may reasonably request, to effectuate the sale of each Purchased Loan to the applicable Approved Takeout Investor all at its own expense.

Section 8.04 MODIFICATIONS. Without the prior written consent of Buyer, Seller shall not: (a) agree to any compromise, settlement, amendment or other modification of any of the Mortgage Documents for any Purchased Loan; (b) release, in whole or in part, any Mortgagor or other Person liable for payment on any Purchased Loan; or (c) release any Lien, guaranty or other supporting obligation securing any Purchased Loan.

Section 8.05 TERMINATION OF INTERIM SERVICING RIGHTS. Seller's rights and obligations to service each Purchased Loan as provided in this Agreement, shall terminate on the earlier of the related Settlement Date or the date which is thirty (30) calendar days following written notice by Buyer to Seller. If any Default occurs at any time, Seller's rights and obligations to service the Purchased Loan(s), as provided in this Agreement, shall at Buyer's election, terminate immediately upon notice or action by Buyer. Upon any such termination, Buyer is hereby authorized and empowered to sell and transfer such rights to service the Purchased Loan(s) for such price and on such terms and conditions as Buyer shall reasonably determine, and Seller shall have no right to attempt to sell or transfer such rights to service. Seller shall perform all acts and take all actions so that the Purchased Loan(s) and all files and documents relating to such Purchased Loan(s) held by Seller, together with all escrow amounts relating to such Purchased Loan(s), are delivered to the Successor Servicer or as Buyer shall otherwise direct. To the extent that the approval of any Third Party Underwriter or any other insurer or guarantor is required for any such sale or transfer, Seller shall fully cooperate with Buyer to obtain such approval. All amounts paid by the purchaser of such rights to service the Purchased Loan(s) shall be the property of Buyer.

Section 8.06 TRANSFER TO SUCCESSOR SERVICER. Each Purchased Loan delivered to Buyer hereunder shall be delivered on a servicing released basis free of any servicing rights in favor of Seller and free of any title, interest, lien, encumbrance or claim of any kind of Seller and Seller hereby waives its right to assert any interest, lien, encumbrance or claim of any kind. Upon transfer of such servicing rights to any Successor Servicer, Seller shall deliver or cause to be delivered all files and documents relating to each Purchased Loan held by Seller to Successor Servicer or as Buyer shall otherwise direct. Seller shall promptly take such actions and furnish to Buyer such documents that Buyer deems necessary or appropriate to enable Buyer to cure any defect in each such Purchased Loan or to enforce such Purchased Loans, as appropriate.

Section 8.07 SERVICING RELEASED. For the avoidance of doubt, Seller retains no economic rights to the servicing of the Purchased Loans provided that Seller shall continue to service the Purchased Loans hereunder as part of its Obligations hereunder. As such, Seller expressly acknowledges that the Purchased Loan are sold to Buyer on a "servicing released" basis.

ARTICLE IX.

EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") occur, Buyer, shall have the rights set forth in Article 10, as applicable:

Section 9.01 PAYMENT FAILURE. Seller shall default in the payment (a) of any Price Differential, Purchase Price Haircut or Repurchase Price, or of any other sum which has become due and payable under the terms hereof, for a period of five (5) days or greater, or (b) on the Termination Date of the aggregate Repurchase Price for all Purchased Loans.

Section 9.02 BREACH OF COVENANTS. Seller shall fail to observe or perform any term, covenant or agreement contained in this Agreement or any other Repurchase Document), and such failure to observe or perform shall continue un-remedied for a period of five (5) Business Days; or

Section 9.03 REPRESENTATION AND WARRANTY BREACH. Any representation or warranty made by Seller in connection with this Agreement or contained herein is inaccurate or incomplete in any respect on or as of the date made or hereafter becomes untrue.

Section 9.04 JUDGMENTS. A judgment or judgments for the payment of money in excess of $250,000.00 in the aggregate shall be rendered against any Seller Party or any of its Affiliates by one or more courts, administrative tribunals or other bodies having jurisdiction and the same shall not be satisfied, discharged (or provision shall not be made for such discharge) or bonded, or a stay of execution thereof shall not be procured, within thirty (30) days from the date of entry thereof, and such Seller Party shall not, within said period of thirty (30) days, or such longer period during which execution of the same shall have been stayed or bonded, appeal therefrom and cause the execution thereof to be stayed during such appeal.

Section 9.05 EVENT OF INSOLVENCY. An Event of Insolvency shall have occurred with respect to a Seller Party or any Affiliate.

Section 9.06 ENFORCEABILITY. For any reason, this Agreement at any time shall not be in full force and effect in all material respects or shall not be enforceable in all material respects in accordance with its terms, or any Lien granted pursuant thereto shall fail to be perfected and of first priority, or any party thereto (other than Buyer) shall contest the validity, enforceability, perfection or priority of any Lien granted pursuant thereto, or any party thereto (other than Buyer) shall seek to disaffirm, terminate, limit or reduce its obligations hereunder.

Section 9.07 LIENS. Seller shall grant, or suffer to exist, any Lien on any Repurchase Asset (except any Lien in favor of Buyer); or at least one of the following fails to be true (A) the Mortgage Assets shall have been sold to Buyer, or (B) the Liens contemplated hereby are first-priority, perfected Liens on any Mortgage Assets in favor of Buyer or shall be Liens in favor of any Person other than Buyer.

Section 9.08 MATERIAL ADVERSE EFFECT. Buyer shall have reasonably determined that a Material Adverse Effect has occurred.

Section 9.09 CHANGE OF CONTROL. A Change of Control of any Seller Party shall have occurred.

Section 9.10 CESSATION OF BUSINESS. Seller shall terminate its existence or suspend or discontinue their business.

Section 9.11 BUSINESS CONDITION. A change occurs, or is reasonably likely to occur, in the business condition (financial or otherwise), operations, properties or prospects of Seller, or the ability of Seller to pay amounts owed to Buyer under the Repurchase Documents which could reasonably be expected to have a Material Adverse Effect.

Section 9.12 OTHER DEBT. Seller or any Guarantor shall default in the due and punctual payment of the principal of or the interest, on any debt (other than the Transactions made hereunder) with Buyer, secured or unsecured, or in the due performance or observance of any covenant or condition of any agreement executed in connection therewith, and such default shall have continued beyond any period of grace or cure provided with respect thereto. Seller shall default in the due and punctual payment of the principal of or the interest, on any debt to any third party, secured or unsecured, or in the due performance or observance of any covenant or condition of any agreement executed in connection therewith, and such default shall have continued beyond any period of grace or cure provided with respect thereto.

ARTICLE X.

REMEDIES

Section 10.01 EXERCISE OF REMEDIES. If an Event of Default occurs, Buyer may exercise the following rights and remedies in its sole discretion:

(a) By written notice (which may be delivered via email, telecopy, overnight mail, regular mail or any other method selected by Buyer in its sole discretion) to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Event of Insolvency of Seller), the Repurchase Date for each Transaction hereunder, if it has not already occurred, shall be deemed immediately to occur. Any written notice given by Buyer hereunder shall be deemed to have been received by Seller immediately upon such notice having been sent by Buyer to Seller's address, fax number or email address, as the case may be, specified on the signature page hereof.

(b) If Buyer exercises or is deemed to have exercised the option referred to insubsection (a) of this Section,

(i) Seller's obligations in such Transactions to repurchase all Purchased Loans, at the Repurchase Price therefore on the Repurchase Date determined in accordance with subsection (a) of this Section, shall thereupon become immediately due and payable, and all Income paid after such exercise or deemed exercise shall be retained by Buyer and applied to the aggregate unpaid Repurchase Price and any other amounts owed by Seller hereunder;

(ii) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount accrued by daily application of, on a 360 day per year basis for the actual number of days during the period from and including the date of the exercise or deemed exercise of such option to but excluding the date of payment of the Repurchase Price as so increased, (x) the Post-Default Rate to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subsection (a) of this Section (decreased as of any day by (i) any amounts actually in the possession of Buyer pursuant to Section 10.02, and (ii) any proceeds from the sale of Purchased Loans applied to the Repurchase Price pursuant toSection 10.03; and

(c) By written notice (which may be delivered via email, telecopy, overnight mail, regular mail or any other method selected by Buyer in its sole discretion) to Seller, the Repurchase Price for each Transaction hereunder shall be deemed to be due and payable on each Repurchase Date therefor. Any written notice given by Buyer hereunder shall be deemed to have been received by Seller immediately upon such notice having been sent by Buyer to Seller's address, fax number or email address, as the case may be, specified on the signature page hereof.

Section 10.02 POSSESSION OF FILES. Upon the occurrence of one or more Events of Default, Buyer shall have the right to obtain physical possession of all files of Seller relating to the Purchased Loans and the Repurchase Assets and all documents relating to the Purchased Loans which are then or may thereafter come in to the possession of Seller or any third party acting for Seller and Seller shall deliver to Buyer such assignments as Buyer shall request. Buyer shall be entitled to specific performance of all agreements of Seller contained in the Repurchase Documents.

Section 10.03 SALE OF PURCHASED LOANS. At any time on the Business Day following notice to Seller (which notice may be the notice given under Section 10.01(a) of this Section), in the event Seller has not repurchased all Purchased Loans, Buyer may immediately sell, without demand or further notice of any kind, at a public or private sale and at such price or prices as Buyer may deem satisfactory any or all Purchased Loans and the Repurchase Assets, on a servicing released basis, and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by Seller hereunder. Buyer may be a purchaser of any Purchased Loan at any public or private sale and Buyer shall be entitled, for the purpose of bidding or making settlement or payment of the purchase price for all or portion of the Purchased Loan sold at any such sale to credit amounts owed to Buyer to such sale amount. The proceeds of any disposition of Purchased Loans and the Repurchase Assets shall be applied first to the costs and expenses incurred by Buyer in connection with Seller's default; second to the Repurchase Price; and third to any other outstanding Obligations of Seller.

Section 10.04 LIABILITY OF SELLER. Seller shall be liable to Buyer for (i) the amount of all legal or other expenses (including, without limitation, all reasonable costs and expenses of Buyer in connection with the enforcement of this Agreement or any other agreement evidencing a Transaction, whether in action, suit or litigation or bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally, further including, without limitation, the reasonable fees and expenses of counsel incurred in connection with or as a result of a Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of a Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of a Default in respect of a Transaction.

Section 10.05 CUMULATIVE RIGHTS. Buyer shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

Section 10.06 REMEDIES NON-EXCLUSIVE. Buyer may exercise one or more of the remedies available to Buyer immediately upon the occurrence of an Event of Default and, except to the extent provided in Sections 10.01(a) and 10.03, at any time thereafter without notice to Seller. All rights and remedies arising under this Agreement as amended from time to time hereunder are cumulative and not exclusive of any other rights or remedies which Buyer may have.

Section 10.07 ENFORCEMENT. Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense (other than a defense of payment or performance) Seller might otherwise have arising from the use of non-judicial process, enforcement and sale of all or any portion of the Repurchase Assets, or from any other election of remedies. Seller recognizes that non-judicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

Section 10.08 LIABILITY FOR ADDITIONAL AMOUNTS. To the extent permitted by applicable law, Seller shall be liable to Buyer for interest on any amounts owing by Seller hereunder, from the date Seller becomes liable for such amounts hereunder until such amounts are (i) paid in full by Seller or (ii) satisfied in full by the exercise of Buyer's rights hereunder. Interest on any sum payable by Seller to Buyer under this Section 10.08 shall be at a rate equal to the Post-Default Rate.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

Section 11.01 OBLIGATIONS OF SELLER. The obligations of Seller under this Agreement shall not be affected by reason of any invalidity illegality or irregularity of any Purchased Loan.

Section 11.02 AMENDMENT. This Agreement may be amended, restated or supplemented from time to time only by a written agreement duly executed and delivered by Seller and Buyer.

Section 11.03 WAIVERS. No failure or delay on the part of Buyer in exercising any power, right or remedy under any Repurchase Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. Any waiver of the terms and provisions hereof must be in writing and consented to in writing by Buyer.

Section 11.04 NOTICES. All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered personally or mailed by first-class registered or certified mail, postage prepaid, or by telephonic facsimile transmission or electronic mail, to any party at its address shown on the signature pages of this Agreement or at such other address as may be designated by it by notice to the other party. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 11.05 SURVIVAL. The respective agreements (including without limitation, the agreements of Seller contained inSections 11.09 and 11.10), representations, warranties and other statements by Seller set forth in or made pursuant to this Agreement shall remain in full force and effect and will survive each Purchase Date.

Section 11.06 HEADINGS. The various headings in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement.

Section 11.07 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without regard to its principles of conflict of laws.

Section 11.08 COUNTERPARTS. This Agreement may be executed in two or more counterparts and by different parties on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or PDF copy by e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.09 EXPENSES. Seller shall pay all actual and reasonable out of pocket expenses incurred by Buyer, including the fees, charges and disbursements of outside counsel for Buyer, in connection with: (i) the transaction contemplated by the Repurchase Documents, (ii) the preparation and administration of the Repurchase Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (iii) the enforcement or protection of its rights in connection with any Repurchase Documents, including its rights under this Section provided that, such fees, costs and expenses shall not include any arising out of Buyer's bad faith, gross negligence, willful misconduct or material breach of this Agreement.

Section 11.10 INDEMNITY. SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER, BUYER'S AFFILIATES AND THE RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ADVISORS OF BUYER AND ITS AFFILIATES (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") FOR, FROM AND AGAINST, ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES AND RELATED EXPENSES, INCLUDING THE REASONABLE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE, INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE EXECUTION OR DELIVERY OF ANY REPURCHASE DOCUMENT, THE PERFORMANCE BY THE PARTIES TO THE REPURCHASE DOCUMENTS OF THEIR RESPECTIVE OBLIGATIONS THEREUNDER OR THE CONSUMMATION OF THE SALE OF PURCHASED LOANS TO BUYER OR THE APPLICABLE TAKEOUT INVESTOR OR ANY OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, (II) ANY BREACH OF ANY OF SELLER'S REPRESENTATIONS, WARRANTIES OR COVENANTS CONTAINED IN THIS AGREEMENT, (III) ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY MORTGAGED PROPERTY, OR ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO ANY MORTGAGED PROPERTY, (IV) ANY BREACH OF ANY REPRESENTATIONS OR WARRANTIES PROVIDED TO AN APPROVED TAKEOUT INVESTOR IN CONNECTION WITH THE SALE OF A PURCHASED LOAN UNDER A TAKEOUT COMMITMENT, AND (V) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NON-APPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE**.** IN NO EVENT WILL SELLER BE LIABLE FOR LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, OR INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Section 11.11 WAIVER OF DAMAGES. Seller shall not assert, and waives, any claim against any Indemnitees, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Repurchase Document or the transactions contemplated thereby.

Section 11.12 SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Seller may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Buyer (and any attempted assignment or transfer by Seller without such consent shall be null and void). Buyer may assign or otherwise transfer all or any portion of its rights, titles and interests in and to any Purchased Loan or any Repurchase Document. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 11.13 TERM. This Agreement shall continue until the Maturity Date unless and until terminated as to future transactions (a) by sixty (60) days advance notice signed by Seller or Buyer and delivered to the other in compliance with Section 11.04 hereof, in which event termination will not affect the obligations hereunder and under the Guaranty; or (b) termination shall be immediately effective, without the necessity of a notice from Buyer, upon the occurrence of an Event of Insolvency. Termination will not affect the obligations hereunder and under the Guaranty as to any Purchased Loans purchased prior to the effective date of such termination.

Section 11.14 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER REPURCHASE DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY AND ALL PREVIOUS COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Section 11.15 SEVERABILITY. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 11.16 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER REPURCHASE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF

ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 11.17 INTENT.

(a) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended and that all payments hereunder are deemed "margin payments" or "settlement payments" as defined in Title 11 of the United States Code.

(b) It is understood that either party's right to liquidate Purchased Loans delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Article X hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

(c) The parties agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," a "repurchase agreement" and a "securities contract" as such terms are defined in FDIA and any rules, orders or policy statements thereunder.

(d) It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation", respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

Section 11.18 NO FIDUCIARY RELATIONSHIP. The relationship between Seller and Buyer is solely that of buyer and seller, and Buyer has no fiduciary or other special relationship with Seller, and no term or condition of any of the Repurchase Documents shall be construed so as to deem the relationship between Seller and Buyer to be other than that of buyer and seller.

Section 11.19 EQUITABLE RELIEF. Seller recognizes that in the event it fails to pay, perform, observe, or discharge any or all of the obligations under the Repurchase Documents, any remedy at law may prove to be inadequate relief to Buyer. Seller therefore agrees that Buyer, if it so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 11.20 CONSTRUCTION. Seller and Buyer acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review the Repurchase Documents with its legal counsel and that the Repurchase Documents shall be construed as if jointly drafted by the parties.

Section 11.21 SET-OFF. In addition to any rights and remedies of Buyer provided by this Agreement and by law, Buyer shall have the right, without prior notice to Seller, any such notice being expressly waived by Seller to the extent permitted by applicable law, upon any amount becoming due and payable by Seller hereunder to set-off and appropriate and apply against such amount, to the extent permitted by law, any and all property and deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by Buyer or any Affiliate thereof to or for the credit or the account of Seller. The exercise of any such right of set-off shall be without prejudice to Buyer's right to recover any deficiency.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date and year first written above.

Addresses for Notice:

5050 Quorum Drive #700
Dallas, TX 75254

Attn: Jason Bateman
Fax:
Email: Jason.bateman@redfinmortgage.com

With a copy to:
Redfin Corporation
1099 Stewart St Suite 600
Seattle, WA 98101
Attn: General Counsel

Western Alliance Bank
3033 West Ray Road
Chandler, AZ 85226

Attn: Albert Thuma
Fax: 480-894-4769
Email: athuma@westernalliancebank.com

SELLER

Redfin Mortgage, LLC, a Delaware limited liability company

By: /s/ Jason Bateman
Name: Jason Bateman
Title: Manager

By: /s/ Adam Weiner
Name: Adam Weiner
Title: Manager

BUYER

Western Alliance Bank, an Arizona corporation

By: /s/ Albert Thuma
Name: Albert Thuma
Title: Senior Vice President

SCHEDULE 1

SCHEDULE OF REQUIRED MORTGAGE DOCUMENTS
FOR EACH MORTGAGE LOAN

BUYER RESERVES THE RIGHT TO REQUIRE COPIES OF ANY OF THE FOLLOWING FOR REVIEW PRIOR TO MAKING ANY PURCHASE OF A SPECIFIC MORTGAGE LOAN.:

(a) Except as permitted in Section 3.01, the original Mortgage Note, which shall be, at Buyer's election, either (i) accompanied by an Allonge endorsed in blank by Seller and/or any other necessary party, or (ii) without any endorsement thereon, if Buyer has a valid power of attorney for and on behalf of Seller authorizing Buyer to endorse such Mortgage Note for and on behalf of Seller;

(b) If the original Mortgage Note has not been executed at the time of purchase, then a copy of the Mortgage Note at the time of purchase with the original Mortgage Note to be delivered to Buyer within 5 Business Days of Purchase Date;

(c) The original or a copy of the Mortgage, including all available Mortgage riders relating to the Mortgage Loan, noting the presence of the MIN of the Mortgage Loan and language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan, with the recording information indicated thereon.

(d) Unless the Mortgage is registered on the MERS System, an original assignment of the Mortgage executed by Seller in blank in recordable form.

(e) If the Mortgage is registered on the MERS System and notes on its face a MIN, copy of evidence that Seller has recorded Buyer as either "Interim Funder" at time of funding.

(f) Copy of the complete Fannie Mae Form 1003.

(g) Copy of the first two (2) pages (including appraised value) of an Appraisal for the Mortgaged Property;

(h) Copy of Third Party Underwriter's Certificate evidenced by one of the following: (i) HUD Direct Endorsement Underwriting Certificate, (ii) Fannie Mae Desktop Underwriter approval form, (iii) Freddie Mac Loan Prospector form, or (iv) third-party underwriting approval;

(i) A copy of the Takeout Commitment.

(j) copies of verifications of deposit and employment;

(k) The name, address, phone and facsimile number of the Escrow Agent, and the name of a contact person with Escrow Agent, and wiring instructions for delivery of a Purchase to the Escrow Agent;

(l) An originally executed power of attorney appointing Buyer as Seller's agent for purposes of the endorsement or execution of any documents for the transfer or assignment of the Mortgage Loans;

(m) If the escrow agent is not the title insurance company, copy of Insured Closing Protection Letter from the title insurance company which will issue the title policy, covering the acts or omissions of the Escrow agent in the settlement process for the subject Mortgage Loan;

(n) Copy of the title insurance company title commitment to insure the Mortgage Loan;

(o) Copy of the Closing Disclosure Statement for each Mortgage Loan fully executed by Escrow Agent and the applicable borrower, certified as true and correct by the Escrow Agent;

(p) Copy of a fully signed "Buydown Agreement" for each Mortgage Loan, if applicable, certified as true and correct by the Escrow Agent; and

(q) Any other items reasonably requested by Buyer in its sole discretion.

SCHEDULE 2

APPROVED TAKEOUT INVESTORS

AFR – American Financial Resources, Inc
AIG / Connective Mortgage
AmeriHome
AmeriSave
Astoria Federal
Bank of Manhattan
Black Rock, Inc.
BB&T (used by Utah Mortgage)
Caliber Funding
Cherry Creek Mortgage
Citi Mortgage
CMG Mortgage
Credit Suisse
Ditech (GreenTree/Walter Investments)
Envoy
Ever Bank
Fannie Mae (FNMA)
First Key
5th/3rd Bank
Flagstar
Franklin American Mortgage
Freddie Mac (FHLMC)
Freedom Mortgage
Generation Mortgage
Ginnie Mae (GNMA)
Homebridge (Real Estate Mtg. Network)
Homeward Residential (AHMS)
IMPAC
JP Morgan Chase
Liberty Home Equity
Live Well Financial
M&T Bank
Nationstar Mortgage
NYCB Mortgage
Pacific Union Financial
Penny Mac
PHH
Plaza Home Mortgage
Prospect Mortgage
Provident Funding
Redwood Trust
Shore Mortgage (United Wholesale)
Silvergate
Stearns Lending
Sun Trust
Sun West Mortgage
Texas Capital Bank
The Money Source
Two Harbors
United Security Financial
United Shore
Urban Financial
US Bank
Wells Fargo
WinWater

BUYER RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO ADD OR DELETE APPROVED INVESTORS FROM THIS SCHEDULE AT ANY TIME.

SCHEDULE 3 To
MASTER REPURCHASE AGREEMENT
BETWEEN
REDFIN MORTGAGE, LLC, A DELAWARE LIMITED LIABILITY COMPANY
AND
WESTERN ALLIANCE BANK, AN ARIZONA COMPANY
PRICING SCHEDULE - EFFECTIVE DATE 6/15/2017

With Respect to any Purchased Loan, the following Pricing Rates, Purchase Fees, Sublimits, Purchase Price Percentage, and Repurchase Dates for Eligible Mortgage Loans shall apply:

Sublimits	Purchase Fee	Sublimit	Purchase Price Percentage	Pricing Rate	Repurchase Period (Days from Applicable Purchase Date) 0-60 Days	61-90 Days	91 Days (1)
Conforming Mortgage Loans	$ 50.00	100%	98%	Rate	Index Rate + 3.00%	Index Rate + 4.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	4.75%	6.75%
Conforming Non-Owner Occupied Loans	$ 50.00	30%	98%	Rate	Index Rate + 3.00%	Index Rate + 4.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	4.75%	6.75%
Eligible Jumbo & Super Jumbo Loans	$ 50.00	40%	98%	Rate	Index Rate + 3.00%	Index Rate + 4.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	4.75%	6.75%

				Pricing Rate	0-30 Days	31-59 Days	60-90 Days	91 Days (1)
Non-Qualified Mortgage Loans	$ 50.00	20%	95%	Rate	Index Rate + 3.25%	Index Rate + 3.25%	Index Rate + 4.25%	Index Rate + 6.25%
				Minimum Rate	3.75%	3.75%	4.75%	6.75%
FNMA/FHLMC HARP 2.0 Loans	$ 50.00	20%	95%	Rate	Index Rate + 3.00%	Index Rate + 3.00%	Index Rate + 4.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	3.75%	4.75%	6.75%

				Pricing Rate	0-90 Days	91 Days (1)
Eligible State Bond Loans	$ 50.00	10%	90%	Rate	Index Rate + 3.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	6.75%
Escrow Holdback Loans	$ 50.00	15%	90%	Rate	Index Rate + 3.00%	Index Rate + 6.00%
				Minimum Rate	3.75%	6.75%

(1) - After Repurchase Period, Default Interest Rates may apply.

Other Transaction Fees: With respect to this Agreement, the Seller shall pay to the Buyer each of the following amounts (other "Transaction Fees"):

a) Repurchase Facility Origination Fee: $0.00
b) Loan Wire Fee: $0.00 for each Purchased Loan
c) $50.00 a day will be assessed on any Purchased Loan with respect to which Buyer is not in receipt of the original Mortgage Note evidencing such Purchased Loan within five (5) Business days of the Purchase date. This fee will be assessed daily until the original Mortgage Note evidencing such Purchased Loan is received by Buyer.
d) Non-Utilization Fee as stated in Section 3.07 is waived for the first 180 days from the effective date

Borrower's Initial: JB

WAB Initial: AT

As used in this Schedule 3, the following terms shall have the following meanings (such meanings to be equally applicable to the singular and plural forms of such terms, and in each case, as reasonably determined by Buyer from time to time):

"Agency" means any of GNMA, Fannie Mae, Freddie Mac, HUD, FHA or VA, or any other governmental agency which now or hereafter purchases mortgage loans.

"Conforming Mortgage Loans" means a conventional 1-to-4 family residential, 1st lien mortgages that fully conform to all underwriting and documentation requirements of FNMA, FHLMC, or FHA/VA.

"Conforming Non-Owner Occupied Loan" means a Conforming Mortgage Loan secured by a property other than the mortgagor's primary residence that conforms to all underwriting and documentation requirements of FNMA and FHLMC.

"Conventional Mortgage Loan" means a Mortgage Loan, other than an FHA Loan or VA Loan, which complies with all applicable requirements for purchase under the Fannie Mae or Freddie Mac standard form of conventional mortgage purchase contract.

"Eligible Jumbo & Super Jumbo Mortgage Loan" means a Mortgage Loan secured by a 1-to-4 family residential, 1st lien mortgage with a principal loan balance >417,000; > $625,500 in California. Approved investor commitment required before funding. Maximum loan balance of $2MM and must have a minimum FICO of 700.

"Eligible State Bond Loan" means High LTV Eligible State Bond Program will be allowed up to a Maximum CLTV of 105%.

"Escrow Holdback Loan (203K)" means an otherwise Conforming Mortgage Loan, however including a holdback provision for construction completion not to exceed $50M (typically 203K type loans).

"FHA Loan" means a Mortgage Loan, payment of which is partially or completely insured by the FHA under the National Housing Act or Title V of the Housing Act of 1949 or with respect to which there is a current, binding and enforceable commitment for such insurance issued by the FHA.

"FNMA/FHLMC HARP 2.0 Loan" means LTV £ 125% if Seller Servicer approved, otherwise LTV allowed£ 110%. Loans must be underwritten by automated DU system or have approved investor commitment. DTI £45%, FICO ³ 680. Primary occupied and second homes only.

"Minimum Rate" means, with respect to any Purchased Loan, the minimum rate per annum applicable to such Purchased Loan as set forth in this Schedule 3.

"Non-Qualified Mortgage Loan" means a Mortgage Loan outside regulatory interest rate or ability to pay parameters (43% DTI) and are not Safe Harbor Loans. Approved investor non-delegated commitment required before funding. Non-Qualified Mortgage Loans have also following limits: FICO ³ 680 and LTV £ 80%, LTV > 80% with full MI coverage. DTI £ 50%.

"VA Loan" means a Mortgage Loan, payment of which is partially or completely guaranteed by the VA under the Servicemen's Readjustment Act of 1944 or Chapter 37 of Title 38 of the United States Code or with respect to which there is a current binding and enforceable commitment for such a guaranty issued by the VA.

SCHEDULE 4

FINANCIAL COVENANTS AND ADDITIONAL DEFINITIONS

1. Adjusted Tangible Net Worth (Seller). At all times during the term of this Agreement, Seller shall maintain an Adjusted Tangible Net Worth of at least $4,000,000.00 to be tested by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017, based upon the most recent financial statements delivered by Seller to Buyer in accordance with Section 6 below.

2. Leverage Ratio (Seller). At all times during the term of this Agreement, Seller shall maintain a Leverage Ratio that is less than or equal to 15:1. The Leverage Ratio shall be tested by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017, based upon the most recent financial statements delivered by Seller to Buyer in accordance with Section 6 below.

3. Minimum Liquid Assets (Seller). At all times during the term of this Agreement, Seller shall maintain a minimum of $1,000,000.00 of Liquid Assets, tested by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017. Seller will furnish Buyer with copies of Seller's current bank and/or brokerage statements in order to permit Buyer to determine Seller's Liquid Assets.

4. Minimum Profitability (Guarantor). Guarantor shall not permit its Pre-Tax Net Profit, for any two consecutive Fiscal Quarters, to be less than $1.00, as calculated by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017.

5. Adjusted Tangible Net Worth (Guarantor). At all times during the term of this Agreement, Guarantor shall maintain an Adjusted Tangible Net Worth of at least $50,000,000.00 to be tested by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017, based upon the most recent financial statements delivered by Guarantor to Buyer in accordance with Section 6 below.

6. Minimum Liquid Assets (Guarantor). At all times during the term of this Agreement, Guarantor shall maintain a minimum of $20,000,000.00 of Liquid Assets, tested by Buyer on a quarterly basis, as of the last day of each Fiscal Quarter, commencing on June 30, 2017. Guarantor will furnish Buyer with copies of Guarantor's current bank and/or brokerage statements in order to permit Buyer to determine Guarantor's Liquid Assets.

7. Financial Statements and Reports. Seller shall furnish to Buyer, in form and detail reasonably satisfactory to Buyer, the following:

a. Promptly after becoming available, and in any event within one hundred twenty (120) days after the close of each Fiscal Year, Seller's audited Consolidated balance sheet as of the end of such Fiscal Year, and the related audited Consolidated statements of income and retained earnings and of cash flows of Seller for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year. Such financial statements shall be accompanied by the unqualified audit report of independent certified public accountants reasonably acceptable to Buyer which report shall be to the effect that such statements have been prepared in accordance with GAAP applied on a basis consistent with prior periods except for such changes in such principles with which the independent public accountants shall have concurred, and such financial statements shall also be accompanied by management letters with respect thereto, if any;

b. Promptly after becoming available, and in any event within thirty (30) days after the end of each Fiscal Quarter, Seller's unaudited Consolidated balance sheet of Seller and the related unaudited Consolidated statements of income and retained earnings and of cash flows of Seller for such Fiscal Quarter and the period from the first day of the then current Fiscal Year through the end of such Fiscal Quarter, certified by the chief financial officer or other executive officer of Seller as being fairly stated in all material respects (subject to normal Fiscal Year-end adjustments);

c. Promptly after becoming available, and in any event within one hundred twenty (120) days after the close of each Fiscal Year, Guarantor's audited Consolidated balance sheet as of the end of such Fiscal Year, and the related audited Consolidated statements of income and retained earnings and of cash flows of Guarantor for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year. Such financial statements shall be accompanied by the unqualified audit report of independent certified public accountants reasonably acceptable to Buyer which report shall be to the effect that such statements have been prepared in accordance with GAAP applied on a basis consistent with prior periods except for such changes in such principles with which the independent public accountants shall have concurred, and such financial statements shall also be accompanied by management letters with respect thereto, if any;

d. Promptly after becoming available, and in any event within thirty (30) days after the end of each Fiscal Quarter, Guarantor's unaudited Consolidated balance sheet of Guarantor and the related unaudited Consolidated statements of income and retained earnings and of cash flows of Guarantor for such Fiscal Quarter and the period from the first day of the then current Fiscal Year through the end of such Fiscal Quarter, certified by the chief financial officer or other executive officer of Guarantor as being fairly stated in all material respects (subject to normal Fiscal Year-end adjustments);

e. Simultaneously with the furnishing of each of the financial statements to be delivered pursuant tosubsections (a) through (d) above, or monthly upon Buyer's request, a certificate in the form of Exhibit E hereto and certified by an executive officer of Seller;

f. Within ten (10) Business Days following Buyer's written request, Seller will also deliver to Buyer such additional financial statements and information (financial or otherwise) regarding Seller and each Guarantor as Buyer may reasonably request from time to time. Such information must be dated no earlier than ninety (90) days prior to date provided.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to the singular and plural forms of such terms, and in each case, as reasonably determined by Buyer from time to time):

"Adjusted Tangible Net Worth" means, as of any date of determination, for any Person, the Net Worth of such Person (including the book value of owned servicing rights) minus: (a) all Consolidated assets of such Person which would be classified as intangible assets under GAAP, including but not limited to goodwill (whether representing the excess cost over book value of assets acquired or otherwise), patents, trademarks, trade names, copyrights, franchises, and deferred charges; and (b) all amounts due from related companies.

"Cash" shall mean lawful money of the United States of America.

"Cash Equivalents" shall mean (i) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof which mature within ninety (90) days from the date of acquisition, and (ii) time deposits and certificates of deposit, which mature within ninety (90) days from the date of acquisition, of Buyer or any other domestic commercial bank insured by the Federal Deposit Insurance Corporation.

"Guarantor" means, whether one or more, individually and collectively, jointly and severally, Redfin Corporation, a Delaware corporation.

"Index Rate" shall mean the LIBOR Rate.

"Leverage Ratio" means, for a Person as of a particular date, the ratio of such Person's Liabilities to Adjusted Tangible Net Worth.

"Liabilities" means, with respect to any Person, at any date (a) all indebtedness or other obligations of such Person (and, if applicable, that Person's Subsidiaries, on a consolidated basis) which, in accordance with GAAP, would be included in determining total liabilities as shown on the liabilities side of a balance sheet of such Person at such date; and (b) all indebtedness or other obligations of such Person (and, if applicable, that Person's Subsidiaries, on a consolidated basis) for borrowed money or for the deferred purchase price of property or services; provided, however, that, for purposes of this Agreement, loan loss reserves, deferred taxes arising from capitalized excess service fees, operating leases and Subordinated Debt shall be excluded from Liabilities.

"LIBOR Rate" shall mean with respect to each Transaction, the rate quoted by Buyer as Buyer's one (1) month LIBOR Rate based upon quotes from the London Interbank Offered Rate from the ICE Benchmark Administration Interest Settlement Rates, as quoted for U.S. Dollars by Bloomberg (rounded upwards to the nearest 1/100th of one percent), at approximately 11:00 a.m., London time, on the 1st Business Day of the month in which the Purchase Date or Repurchase Date occurs, or if such rate ceases to be available, on any other service selected by Buyer providing comparable rate quotations.

"Liquid Assets" means all of a Person's (1) unencumbered and unrestricted Cash, and (2) unencumbered and unrestricted Cash Equivalents reflected on current bank and/or brokerage statements furnished to Buyer by Seller and deemed by Buyer in its sole and absolute discretion to be liquid. Liquid Assets will only be measured based on bank or brokerage accounts directly held by Seller.

"Maturity Date" means June 15, 2018 unless terminated on an earlier date in accordance with this Agreement.

"Minimum Utilization Amount" means twenty five percent (25%) of Seller's Concentration Limit.

"Net Income" means, for any particular period, Seller's net income (after provision for taxes, as determined in accordance with GAAP.

"Net Worth" of any Person shall mean, as of any date, an amount equal to all Consolidated assets of such Person minus such Person's Consolidated Liabilities, each as determined in accordance with GAAP.

"Non-Utilization Fee" means, for any period, an amount equal to the product of (a) one quarter of one percent (.25%) per annum times (b) the difference between (i) the Minimum Utilization Amount minus (ii) the Actual Utilization Amount. **Seller shall not be obligated to pay such Non-Utilization Fee (i) for the first 180 days of the Agreement and (ii) as otherwise set forth, if any, in Schedule 3.**

"Pre-Tax Net Profit" means Net Income of a Person before taxes and excludes mark to market adjustments for owned mortgage servicing rights and non-cash compensation in the form of stock or membership interest.

"Seller's Concentration Limit" means TEN MILLION DOLLARS ($10,000,000.00) at any one time.

"State of Organization" means the state of Delaware.

"Subordinated Debt" means, with respect to any Person, all Liabilities of such Person, for borrowed money, which is, by its terms (which terms shall have been approved by Buyer) or by the terms of a subordination agreement, in form and substance satisfactory to Buyer, effectively subordinated in right of payment to all other present and future obligations and all indebtedness of such Person, of every kind and character, owed to Buyer.

"Wet Sublimit" means Four Million Dollars ($4,000,000.00)

EXHIBIT A

REQUEST FOR LOAN PURCHASE

BUYER: Western Alliance Bank DATE:_____, 20____

SELLER: _____

This request is delivered pursuant to Section 3.01 of the Master Repurchase Agreement (as renewed, extended, amended, or restated, the "Repurchase Agreement") dated as of June 15, 2017 between Seller and Buyer. Terms defined in the Repurchase Agreement have the same meanings when used, unless otherwise defined, in this request.

Seller requests that Buyer purchase from Seller on the terms set forth in the Repurchase Agreement, the Mortgage Loan below (the "Subject Loan"). In that connection, Seller hereby represents and warrants to Buyer that no Default exists and all representation and warranties applicable to Seller and the Subject Loan contained in the Repurchase Agreement are, as of the date hereof and as of the Purchase Date applicable to the Subject Loan, true and correct. Upon Buyer's funding of the Purchase Price in accordance with the Repurchase Agreement, Seller confirms its assignment of the Subject Loan (and hereby assigns the Subject Loan) in accordance with the terms of the Repurchase Agreement, including Section 3.04. This assignment is made pursuant to and upon the representations; warranties and agreements on the part of the undersigned contained in the Repurchase Agreement and is governed by the Repurchase Agreement.

1. Seller:
2. Seller's Loan No.:
3. Property Description: Property Address:
4. Amount of Loan:
5. Interest Rate:
6. Dollar Amount of Buyer's Anticipated Wire:
7. Percentage of Buyer's Purchase in Mortgage Loan:
8. Borrower's Name:
9. Investor:
10. Funding Request Date:
11. Fax Attachments to _____ - Attn: _____; Fax No. (____) _____

- ☐ Signed Request for Loan Purchase
- ☐ First 2 pages of Appraisal
- ☐ Investor Approval with Conditions
- ☐ Investor Rate Lock Confirmation
- ☐ Specific Closing Instructions (page 1 only)
- ☐ Final typed 1003 Loan Application
- ☐ Risk score page of credit report
- ☐ Insured Closing Letter
- ☐ Wire Instructions or Copy of Certified Check

12. Comments:_____

_____, as Seller

By: _____
Name: _____
Title: _____

EXHIBIT B

SELLER'S REPURCHASE REQUEST

BUYER: Western Alliance Bank DATE: _____, 20____

SELLER _____

This request is delivered under the Master Repurchase Agreement (as renewed, extended, amended, or restated, the "Repurchase Agreement") dated as of June 15, 2017, between Seller and Buyer. Terms defined in the Repurchase Agreement have the same meanings when used, unless otherwise defined, in this request.

Seller requests a repurchase of the Purchased Loans described in Annex I hereto, under Section 4.01 of the Repurchase Agreement to occur on .

Seller certifies that as of the Requested Repurchase Date, after giving effect to the Requested Repurchase that (a) the representations and warranties of Seller in the Repurchase Agreement are true and correct in all material respects and (b) no Default exists.

_____, as Seller

By: _____
Name: _____
Title: _____

EXHIBIT C

BUYER'S REPURCHASE REQUEST

BUYER: Western Alliance Bank DATE: _____, 20____

SELLER _____

This request is delivered under the Master Repurchase Agreement (as renewed, extended, amended, or restated, the "Repurchase Agreement") dated as of June 15, 2017 between Seller and Buyer. Terms defined in the Repurchase Agreement have the same meanings when used, unless otherwise defined, in this request.

Buyer demands a repurchase of the Purchased Loans described in Annex I hereto (the "Subject Loan"), under Section 4.02 of the Repurchase Agreement, to occur on .

Buyer certifies that Seller is obligated to repurchase the Purchased Loans under Section 4.02 of the Repurchase Agreement. Upon Seller's funding of the Repurchase Price in accordance with the Repurchase Agreement, Buyer confirms its assignment of the Subject Loan (and hereby assigns the Subject Loan) in accordance with the terms of the Repurchase Agreement, including Section 4.03. This assignment is made pursuant to and upon the representations, warranties and agreements on the part of the undersigned contained in the Repurchase Agreement and is governed by the Repurchase Agreement.

Western Alliance Bank, an Arizona corporation, as Buyer

By: _____
Name: _____
Title: _____

EXHIBIT D

SPECIAL POWER OF ATTORNEY

Redfin Mortgage, LLC, a Delaware limited liability company ("Seller") has entered into that certain Master Repurchase Agreement dated as of June 15, 2017 as the same may be amended or supplemented from time to time (the "Repurchase Agreement"), by and between Seller and Western Alliance Bank, an Arizona corporation. All capitalized terms not defined herein shall have the meanings given them in the Repurchase Agreement.

Seller hereby irrevocably constitutes and appoints Western Alliance Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact ("Attorney in Fact") with full irrevocable power and authority in the place and stead of Seller and in the name of Seller or in its own name, exercisable by the Attorney in Fact in each case, for the purpose of carrying out the terms of the Repurchase Agreement, including without limitation, to take any and all appropriate action and execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of the Repurchase Agreement, to file such financing statement or statements relating to the Mortgage Loans as Attorney in Fact at its option may deem appropriate, and, without limiting the generality of the foregoing, Seller hereby gives Attorney in Fact the power and right, on behalf of Seller, without assent by, but with notice to, Seller, to do the following:

(i) in the name of Seller, or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any other Mortgage Loans and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Attorney in Fact for the purpose of collecting any and all such moneys due with respect to any other Mortgage Loans whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or against the Mortgage Loans;

(iii) to execute, in connection with any sale of Mortgage Loans, any endorsements, assignments or other instruments of conveyance or transfer;

(iv) (A) to direct any party liable for any payment under any Mortgage Loans to make payment of any and all moneys due or to become due thereunder directly to Attorney in Fact or as Attorney in Fact shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Mortgage Loans; (C) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Mortgage Loans; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect

the Mortgage Loans or any proceeds thereof and to enforce any other right in respect of any Mortgage Loans; (E) to defend any suit, action or proceeding brought against Seller with respect to any Mortgage Loans; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as Attorney in Fact may deem appropriate; (G) to send "goodbye" and "hello" letters on Seller's or subservicer's behalf, and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Mortgage Loans as fully and completely as though Attorney in Fact were the absolute owner thereof for all purposes, and to do, at Attorney in Fact's option and Seller's expense, at any time, and from time to time, all acts and things which Attorney in Fact deems necessary to protect, preserve or realize upon the Mortgage Loans and Attorney in Fact's interests therein and to effect the intent of the Repurchase Agreement, all as fully and effectively as Seller might do.

For value received, receipt of which is hereby acknowledged, Seller has sold and transferred, and will sell and transfer, to Western Alliance Bank certain Mortgage Loans pursuant to the Repurchase Agreement and by such transactions that this Special Power of Attorney be coupled with an interest, and Seller does hereby make and declare this Special Power of Attorney to be irrevocable by Seller or otherwise, renouncing all right to revoke this Special Power of Attorney or to appoint any other person to perform any of the acts enumerated herein.

Seller does hereby ratify and confirm that theAttorney-in-Fact may exercise any power or authority granted hereunder, irrespective of whether or not a Default has occurred under the Repurchase Agreement. The rights and powers of Attorney-in-Fact hereunder are cumulative of all other rights, remedies, and recourse of Western Alliance Bank under the Repurchase Agreement.

The powers conferred on Attorney in Fact hereunder are solely to protect Attorney in Fact's interests in the Mortgage Loans and shall not impose any duty upon it to exercise any such powers. Attorney in Fact shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Seller for any act or failure to act hereunder, except for its or their own gross negligence or willful misconduct. Seller hereby covenants and agrees that it will indemnify, defend, and hold harmless the Attorney-in-Fact and its officers acting hereunder for, from and against any and all claims, demands, or causes of action, in any way associated with or related to the acts performed under this Limited Power of Attorney, ***including, but not limited to, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses, and disbursements of any kind or nature ("Liabilities"), but excluding any Liabilties resulting from the negligence, gross negligence, or intentional misconduct of Attorney-in-Fact or its officers.*** For purposes of A.R.S. § 14-5501.E, Seller acknowledges that the power of attorney forms a part of a contract (being this Agreement) and is security for money or for the performance of a valuable act. Buyer hereby discloses that it may exercise the power of attorney for Buyer's benefit, and such authority need not be exercised for Seller's best interest.

IN WITNESS WHEREOF, this instrument is executed by Seller on this day of June, 2017.

SELLER:

Redfin Mortgage, LLC, a Delaware limited liability company

By: /s/ Jason Bateman
Jason Bateman, Manager

STATE OF Washington

COUNTY OF King

This instrument was acknowledged before me on this 15 day of June, 2017 by, Jason Bateman, Manager of Redfin Mortgage, LLC a Delaware limited liability company, on behalf of said company.

[SEAL]

/s/ Shawn M. Taylor
Notary Public in and for the State of WA

By: /s/ Adam Wiener
Adam Wiener, Manager

STATE OF Washington

COUNTY OF King

This instrument was acknowledged before me on this 15 day of June, 2017 by, Adam Weiner, Manager of Redfin Mortgage, LLC a Delaware limited liability company, on behalf of said company.

[SEAL]

/s/ Shawn M. Taylor
Notary Public in and for the State of WA

ACKNOWLEDGED BY
ATTORNEY-IN-FACT:

Western Alliance Bank, an Arizona corporation

By: /s/ Elizabeth L. Mix
Name: Elizabeth L. Mix
Title: Vice President

By: /s/ Cyndy Joseph
Name: Cyndy Joseph
Title: Vice President

By: /s/ Angelli Angara
Name: Angelli Angara
Title: Officer

By: /s/ Doug Jones
Name: Doug Jones
Title: Assistance Vice President

By: /s/ Albert Thuma
Name: Albert Thuma
Title: Senior Vice President

By: /s/ Richie Walia
Name: Richie Walia
Title: Senior Vice President

EXHIBIT E

COMPLIANCE CERTIFICATE

SELLER:	Redfin Mortgage, LLC, a Delaware limited liability company
BUYER:	Western Alliance Bank, an Arizona corporation
GUARANTOR:	Redfin Corporation, a Delaware corporation
TODAY'S DATE:	/ /20
REPORTING PERIOD ENDED:	month(s) ended / /20

This certificate is delivered to Buyer under the Master Repurchase Agreement dated effective as of June 15 , 2017 between Seller and Western Alliance Bank, an Arizona corporation (the "Agreement"), all the defined terms of which have the same meanings when used herein.

I hereby certify that: (a) I am, and at all times mentioned herein have been, the duly elected, qualified, and acting officer of Seller designated below; (b) to the best of my knowledge, the financial statements of Seller and Guarantor from the period shown above (the "Reporting Period") and which accompany this certificate were prepared in accordance with GAAP and present fairly the financial condition of Seller and Guarantor, respectively, as of the end of the Reporting Period and the results of their respective operations for the Reporting Period; (c) all of the representations and warranties made by Seller in Article VI of the Agreement are true and correct in all material respects on the date of this certificate as if made on this date; (d) a review of the Agreement and of the activities of Seller during the Reporting Period has been made under my supervision with a view to determining Seller's compliance with the covenants, requirements, terms, and conditions of the Agreement, and such review has not disclosed the existence during or at the end of the Reporting Period (and I have no knowledge of the existence as of the date hereof) of any Default or Event of Default, except as disclosed herein (which specifies the nature and period of existence of each Default or Event of Default, if any, and what action Seller has taken, is taking, and proposes to take with respect to each); and (e) the calculations described herein evidence that Seller and Guarantor are in compliance with the requirements of the Agreement at the end of the Reporting Period (or if Seller or Guarantor is not in compliance, showing the extent of non-compliance and specifying the period of non-compliance and what actions Seller or Guarantor, as applicable, proposes to take with respect thereto).

Redfin Mortgage, LLC, a Delaware limited liability company

By: _____
Name:
Title:

SELLER:	Redfin Mortgage, LLC, a Delaware limited liability company
REPORTING PERIOD ENDED:	/ /20

All financial calculations set forth herein are as of the end of the Reporting Period.

I. ADJUSTED TANGIBLE NET WORTH—SELLER

The Adjusted Tangible Net Worth of Seller is:		
Net Worth (including book value of owned servicing rights):	$	
Minus: Intangible Assets	$	
Minus: Amounts Due from Affiliates	$	
ADJUSTED TANGIBLE NET WORTH:	$	
REQUIRED MINIMUM	***$***	***4,000,000***
In compliance?	☐ Yes	☐ No

II. LEVERAGE RATIO—SELLER

Liabilities:	$	
Divided by: Adjusted Tangible Net Worth	($	)
TOTAL LIABILITIES / ADJUSTED TANGIBLE NET WORTH :		**__:1**
MAXIMUM PERMITTED		***15:1***
In compliance?	☐ Yes	☐ No

III. MINIMUM LIQUID ASSETS—SELLER

Cash and Cash Equivalents	$	
MINIMUM REQUIRED	***$***	***1,000,000.00***
In compliance?	☐ Yes	☐ No

IV. ADJUSTED TANGIBLE NET WORTH—GUARANTOR

The Adjusted Tangible Net Worth of Guarantor is:	
Net Worth (including book value of owned servicing rights):	$
Minus: Intangible Assets	$
Minus: Amounts Due from Affiliates	$
ADJUSTED TANGIBLE NET WORTH:	$
REQUIRED MINIMUM	***$ 50,000,000***
In compliance?	☐ Yes ☐ No

V. MINIMUM LIQUID ASSETS—GUARANTOR

Cash and Cash Equivalents	$
MINIMUM REQUIRED	***$ 20,000,000.00***
In compliance?	☐ Yes ☐ No

VI. MINIMUM PROFITABILITY—GUARANTOR

Quarter End Pre-Tax Net Profit	**$**
Year-to-Date Pre-Tax Net Profit	**$**
MINIMUM REQUIRED	***$ 1 per quarter***
In compliance?	☐ Yes ☐ No

IV. OTHER REQUESTED INFORMATION

Total Liabilities under all warehouse and repurchase facilities:	$
Early Purchase Facilities:	**$**
Total dollar value of funded loan volume (Quarter)	$
Total number of loan units volume (Quarter)	**$**

V. DEFAULTS OR EVENTS OF DEFAULT

Disclose nature and period of existence and action being taken in connection therewith; if none, write “None”:_____

GUARANTY

THIS GUARANTY ("Guaranty") is made as of June 15, 2017, by REDFIN CORPORATION, (collectively, jointly, severally, and jointly and severally, the "Guarantor"), whose address is set forth below, in favor of WESTERN ALLIANCE BANK, an Arizona corporation ("Buyer"), whose address is set forth below.

RECITALS

A. Guarantor is executing this Guaranty to induce Buyer to extend to REDFIN MORTGAGE, LLC, a Delaware limited liability company ("Seller") a warehouse facility (the "Facility") in the maximum amount of $10,000,000.00, subject to the terms and conditions of which are more particularly described in the Master Repurchase Agreement dated as of June 15, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "Repurchase Agreement"), and the other Repurchase Documents (as defined in the Repurchase Agreement.

B. This Guaranty is one of the Repurchase Documents.

C. Each capitalized term used herein and not otherwise defined has the meaning given to such term in the Repurchase Agreement.

GUARANTY

1. Guaranteed Obligations. In order to induce Buyer to extend the Facility to Seller, Guarantor hereby unconditionally and irrevocably, jointly and severally, guarantees to Buyer and to its successors, endorsees and/or assigns, the full and prompt payment and performance of the Guaranteed Obligations. The term "Guaranteed Obligations", as used herein means: all obligations, indebtedness, and liabilities of Seller to Buyer, now existing or hereafter arising under or in connection with the Repurchase Agreement or any of the Repurchase Documents, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, and all extensions, renewals, and modifications thereof, and shall include, without limitation, any and all post-petition interest and expenses (including attorneys' fees) whether or not allowed under any bankruptcy, insolvency, or other similar law. The Guaranteed Obligations shall include, any reasonable costs or expenses incurred by Buyer in connection with collecting or enforcing this Guaranty. Guarantor acknowledges that fluctuations may occur in the aggregate amount of the Guaranteed Obligations and Guarantor agrees that reductions in the amount of the Guaranteed Obligations, even to zero dollars, shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's successors and assigns so long as any of the Guaranteed Obligations remain unpaid and even though the Guaranteed Obligations may from time to time be zero dollars. In no event will the Guaranteed Obligations exceed 120% of Seller's Concentration Limit.

2. Guarantor's Liability. Guarantor agrees, represents and warrants to Buyer as follows:

(a) Guarantor shall continue to be liable under this Guaranty and the provisions hereof shall remain in full force and effect notwithstanding (i) any modification, agreement or stipulation between Seller and Buyer, or their respective successors and assigns, with respect to the Repurchase Documents or the obligations encompassed thereby, including, without limitation, the Guaranteed Obligations; or (ii) Buyer's waiver of or failure to enforce any of the terms, covenants or conditions contained in the Repurchase Documents or in any modification thereof; or (iii) any release of Seller or any other guarantor from any liability with respect to the Guaranteed Obligations; (iv) any release or subordination of any real or personal property then held by Buyer as security for the performance of the Guaranteed Obligations; (v) any disability of Seller, or the dissolution, insolvency, or bankruptcy of Seller, Guarantor, or any other party at any time liable for the payment of any or all of the Guaranteed Obligations; (vi) the unenforceability or invalidity of any or all of the Guaranteed Obligations, any Purchased Loan or of any instrument, document, or agreement evidencing, securing, or otherwise relating to any or all of the Guaranteed Obligations or any Purchased Loan; (vii) any payment by Seller or any other party to Buyer is held to constitute a preference under applicable bankruptcy or insolvency law or if for any other reason Buyer is required to refund any payment or pay the amount thereof to someone else; (viii) the settlement or compromise of any of the Guaranteed Obligations; (ix) the non perfection of any security interest or lien securing any or all of the Guaranteed Obligations; or (x) any impairment of any Purchased Loan or any collateral securing any or all of the Guaranteed Obligations.

(b) Guarantor's liability under this Guaranty shall continue until all of Seller's Obligations (as defined in the Repurchase Agreement) have been paid and performed in full, and shall not be reduced by virtue of any payment by Seller of any amount due under the Repurchase Agreement or under any of the Repurchase Documents or by Buyer's recourse to any collateral or security. Guarantor acknowledges that Buyer may apply any payment made by Seller to Buyer to any obligation of Seller to Buyer under the terms of any Repurchase Documents in such amounts and such manner as Buyer may elect, regardless of whether such application complies with any instruction or designation given or made by Seller with respect to such payment and agrees that any such application shall not in any manner reduce, extinguish or otherwise affect the liability of Guarantor hereunder.

(c) Guarantor acknowledges that it has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the Repurchase Documents or referred to therein, the value of the assets owned or to be acquired by Seller, Seller's financial status and its ability to pay and perform its Obligations under the Repurchase Documents. Guarantor further warrants and represents that it has reviewed and approved copies of the Repurchase Documents and is fully informed of the remedies Buyer may pursue, with or without notice to Seller, in the event of default under the Repurchase Agreement or other Repurchase Documents. So long as any of the Guaranteed Obligations remains unsatisfied or owing to Buyer, Guarantor shall keep itself fully informed as to all aspects of Seller's financial condition and the performance of Seller's Obligations under the Repurchase Documents.

(d) If acceleration of the time for payment of any amount payable by Seller under the Repurchase Documents is stayed upon the insolvency, bankruptcy, or reorganization of Seller, all such amounts otherwise subject to acceleration under the terms of the Repurchase Documents shall nonetheless be payable by Guarantor hereunder forthwith on demand by Buyer.

(e) Buyer is not required to inquire into the powers of Seller or Guarantor or of the officers, directors, or other agents acting or purporting to act on their behalf, and any indebtedness or obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

3. Fair Consideration; Solvency.

(a) Guarantor represents and warrants to Buyer that: (i) Guarantor is receiving fair consideration and reasonably equivalent value for its execution of this Guaranty; (ii) Guarantor is not now insolvent, nor will the execution of this Guaranty render Guarantor insolvent; (iii) the execution of this Guaranty will not leave Guarantor with unreasonably small capital or assets in order to conduct the business of Guarantor as it is currently conducted; (iv) the obligations incurred under this Guaranty have not been incurred with the intent to hinder, delay, or defraud present or future creditors; and (v) the execution of this Guaranty is not intended or believed by Guarantor to be an incurrence of an obligation or debt of Guarantor beyond Guarantor's ability to pay such obligation or debt as it becomes due.

(b) Guarantor acknowledges that: (i) the execution of this Guaranty by Guarantor is a necessary condition for the extension of the Facility by Buyer to Seller; and (ii) the extension of the Facility by Buyer to Seller is of substantial economic benefit to Seller and, therefore, beneficial to Guarantor.

4. Fraudulent Transfer. In the event that, notwithstanding the representations, warranties and acknowledgements of Guarantor contained in Section 3 above, the incurring of the obligations under this Guaranty is found, by a final, non-appealable judgment or order of a court, to constitute a fraudulent transfer under the Uniform Fraudulent Transfer Act (Arizona Revised Statutes ("ARS") Sections 44-1001 et seq., as amended and any successor statute), the Bankruptcy Code (Title 11 of the United States Code), or any similar statutes, then the amount of the Guaranteed Obligations of Guarantor pursuant to this Guaranty shall be reduced to $1.00 less than the amount that would otherwise make this Guaranty a fraudulent conveyance. The limitation on the liability of Guarantor contained in this Section 4 shall not limit any right of Buyer against Guarantor available at law or in equity, including, without limitation, rights of Buyer against Guarantor based upon any inaccuracy of, or the failure of Guarantor to comply with, the provisions of Section 3 above.

5. Independent Obligation. The obligations of Guarantor hereunder are separate and independent of the obligations of Seller and of every other guarantor, and a separate action or actions may be brought and prosecuted against Guarantor regardless of whether an action is brought against Seller or any other guarantor or whether Seller or any other guarantor is joined in any such action or actions, or whether Buyer forecloses upon, sells or otherwise disposes of or collects any collateral securing the Obligations under the Repurchase Documents. This Guaranty may be enforced against Guarantor regardless of whether a judicial or non-judicial foreclosure sale is held under any security agreement, deed of trust, mortgage or other security instrument securing all or any part of the Obligations under the Repurchase Documents.

6. Nature of Guaranty. The liability of Guarantor under this Guaranty is a guaranty of payment and performance and not of collection, and is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of the Repurchase Documents or other instruments relating to the creation or performance of the Guaranteed Obligations or the pursuit by Buyer of any remedies which it now has or may hereafter have with respect thereto under the Repurchase Documents, at law, in equity or otherwise.

7. Guarantor Waivers. Guarantor hereby fully and completely waives, releases and relinquishes: (a) all notices to Guarantor, to Seller, or to any other person or entity, including, without limitation, notices of the acceptance of this Guaranty, or the creation, renewal, extension, modification or accrual of any of the Obligations under the Repurchase Documents and, except to the extent set forth herein, enforcement of any right or remedy with respect thereto, and notice of any other matters relating thereto; (b) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (c) any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof; (d) all defenses and claims based on principles of suretyship and/or guaranty; (e) any and all benefits under ARS Sections 12-1641 through 12-1646, Section 44-142, and Rule 17(e) of the Arizona Rules of Civil Procedure, as now enacted or hereafter modified, amended or replaced; and (f) any "one action" or "anti-deficiency" law. Notwithstanding any foreclosure of the lien of any security agreement, deed of trust, mortgage, or other security instrument with respect to any or all of any real or personal property secured thereby, whether by the exercise of the power of sale, by an action for judicial foreclosure or by an acceptance of a deed in lieu of foreclosure, Guarantor shall remain bound under this Guaranty. Guarantor further agrees that Buyer may enforce this Guaranty upon the occurrence and during the continuation of a default or an Event of Default under the Repurchase Agreement or the Repurchase Documents (as Event of Default is defined in the Repurchase Agreement), notwithstanding the existence of any dispute between Seller and Buyer with respect to the existence of a default or Event of Default or performance of the Obligations under the Repurchase Documents, the Guaranteed Obligations or any counterclaim, set-off or other claim which Seller may allege against Buyer with respect thereto. Moreover, Guarantor agrees that its obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

8. No Duty To Pursue Others. Guarantor agrees that Buyer may enforce this Guaranty without the necessity of resorting to or exhausting any security or collateral and without the necessity of proceeding against Seller or any other guarantor, including, without limitation, any other Guarantor named herein. Guarantor hereby waives the right to require Buyer to proceed against Seller, to proceed against any other guarantor, including, without limitation, any other Guarantor named herein, to foreclose any lien on any real or personal property, to exercise any right or remedy under the Repurchase Documents, to pursue any other remedy or to enforce any other right.

9. Authorization of Buyer . Guarantor authorizes Buyer, without notice or demand, and without affecting Guarantor's liability hereunder, from time to time to: (a) amend, modify, or restate any instrument, document or agreement evidencing or relating to all or any portion of the Guaranteed Obligations; (b) renew, compromise, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Obligations under the Repurchase Documents or any part thereof, including, without limitation, any increase or decrease of the

Pricing Rate (as defined in the Repurchase Agreement) or any fee or late charge; (c) take and hold collateral as security for the payment of this Guaranty or the Obligations under the Repurchase Documents, and exchange, substitute, subordinate, enforce, waive and release any such collateral; (d) apply any and all payments from Seller, Guarantor or any other guarantor, or recoveries from any collateral securing all or any portion of the Obligations under the Repurchase Documents, in such order or manner as Buyer in its sole and absolute discretion may determine; (e) direct the order or manner of sale of any collateral securing any part of the Obligations under the Repurchase Documents as Buyer in its sole and absolute discretion may determine; (f) release or substitute any one or more of the Seller, Guarantor or any other guarantor, or acquire additional guarantors; and (g) assign its rights under this Guaranty in whole or in part.

10. Waivers of Subrogation and Other Rights and Defenses.

(a) Guarantor agrees that nothing contained herein shall prevent Buyer from suing on the Repurchase Agreement or from exercising any rights available to it thereunder or under any of the Repurchase Documents and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of any Guarantor. Guarantor understands that the exercise by Buyer of certain rights and remedies contained in the Repurchase Documents may affect or eliminate Guarantor's right of subrogation against Seller and that Guarantor may therefore incur a partially or totally non-reimbursable liability hereunder; nevertheless, Guarantor hereby authorizes and empowers Buyer to exercise, in its sole discretion, any rights and remedies, or any combination thereof, which may then be available to Buyer, because it is the intent and purpose of Guarantor that the obligations hereunder shall be absolute, independent and unconditional under any and all circumstances.

(b) Guarantor hereby waives, releases, and relinquishes any and all rights of reimbursement, contribution, and subrogation, which Guarantor may now or hereafter have against Seller. Guarantor further agrees that, to the extent the waiver of its rights of subrogation as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against Seller or against any collateral or security shall be junior and subordinate to any right Buyer may have against Seller and to all right, title and interest Buyer may have in any collateral or security. Buyer may use, sell or dispose of any item of collateral or security as it sees fit without regard to any subrogation right Guarantor may have, and upon disposition or sale, any right of subrogation Guarantor may have shall terminate. With respect to the enforced collection of the Obligations under the Repurchase Documents or the foreclosure of any security interest in any personal property collateral then securing any of the Obligations under the Repurchase Documents, Buyer agrees to give Guarantor five (5) days' prior written notice, in the manner set forth in Section 13 hereof, of any sale or disposition of any such personal property collateral, other than collateral which is perishable, threatens to decline speedily in value, is of a type customarily sold on a recognized market, or is cash, cash equivalents, certificates of deposit or the like.

(c) Guarantor's sole right with respect to any such foreclosure of real or personal property collateral shall be to bid at such sale in accordance with applicable law. Guarantor acknowledges and agrees that Buyer may also bid at any such sale and in the event such collateral is sold to Buyer in whole or in partial satisfaction of the Guaranteed Obligations,

Guarantor shall have no further right or interest with respect thereto. Notwithstanding anything to the contrary contained herein, no provision of this Guaranty shall be deemed to limit, decrease, or in any way to diminish any rights of set-off Buyer may have with respect to any cash, cash equivalents, certificates of deposit or the like which may now or hereafter be put on deposit with Buyer by Seller.

(d) To the extent any dispute exists at any time between or among any of the guarantors as to Guarantor's right to contribution or otherwise, Guarantor agrees to indemnify, defend and hold Buyer harmless for, from and against any loss, damage, claim, demand, cost or any other liability (including reasonable attorneys' fees and costs) Buyer may suffer as a result of such dispute.

(e) If from time to time Seller shall have liabilities or obligations to Guarantor (collectively the "Subordinate Obligations"), such Subordinate Obligations shall be subject to the following terms:

(i) The Subordinate Obligations and any and all assignments as security, grants in trust, liens, mortgages, security interests, other encumbrances, and other interests and rights securing such liabilities and obligations shall at all times be fully subordinate with respect to (1) assignment as security, grant in trust, lien, mortgage, security interest, other encumbrance, and other interest and right (if any), (2) time and right of payment and performance, and (3) rights against any collateral therefor (if any), to payment and performance in full of the Guaranteed Obligations and the right of Buyer to realize upon any or all security for such obligations.

(ii) Guarantor agrees that the Subordinate Obligations shall not be secured by any assignment as security, grant in trust, lien, mortgage, security interest, other encumbrance or other interest or right in any property, interests in property, or rights to property of Seller.

(iii) Guarantor agrees that all promissory notes, accounts receivable, ledgers, records, or any other evidence of Subordinated Indebtedness shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Guaranty.

(iv) Guarantor agrees that after the occurrence and during the continuance of a default or Event of Default under the Repurchase Documents, no payments of principal or interest may be made or given, directly or indirectly, by or on behalf of the Seller or received, accepted, retained or applied by the Guarantor unless and until the Guaranteed Obligations shall have been paid and performed in full. Prior to the occurrence and continuance of a default or Event of Default under the Repurchase Documents, Guarantor shall have the right to receive payments on the Subordinated Indebtedness made in the ordinary course of business.

(v) If Guarantor receives any payment from Seller or any other party on account of the Subordinated Obligations when such payment is not permitted hereunder, such payment shall be held in trust by Guarantor for the benefit of Buyer, shall be segregated from the other funds of Guarantor, and shall forthwith be paid by Guarantor to Buyer, without affecting the liability of Guarantor under this Guaranty, and applied to payment of the Guaranteed Obligations, whether or not then due.

(vi) Without the prior written consent of Buyer, Guarantor shall not (1) file suit against Seller or exercise or enforce any other creditor's right it may have against Seller, or (2) foreclose, repossess, sequester, appoint a receiver or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, security interests, collateral rights, judgments or other encumbrances held by Guarantor on assets of Seller.

(vii) To secure the Guaranteed Obligations, Guarantor grants to Buyer a lien and security interest in all Subordinate Obligations and any documents or instruments evidencing or pertaining to the Subordinate Obligations, and in all of Guarantor's right, title, and interest in and to any payments, property, interests in property, or rights to property acquired or received by Guarantor from Seller in respect of the Subordinate Obligations.

(viii) In the event of any receivership, bankruptcy, reorganization, rearrangement, debtor's relief, or other insolvency proceeding involving Seller as debtor, Buyer shall have the right to prove and vote any claim under the Subordinated Indebtedness and to receive directly from the receiver, trustee or other court custodian all dividends, distributions, and payments made in respect of the Subordinated Indebtedness. Buyer may apply any such dividends, distributions, and payments against the Guaranteed Obligations in such order and manner as Buyer may determine in its sole discretion.

11. Guarantor's Representations and Warranties. As an inducement to Buyer to extend the Facility to Seller, Guarantor represents and warrants to Buyer that the following statements are true, correct and complete as of the date hereof and will be true, correct and complete as of each Purchase Date.

(a) Each Guarantor that is not an individual is duly organized, validly existing and in good standing under the laws of the state of its organization. Guarantor's correct legal name is set forth above. Guarantor has all requisite power, authority, rights and franchises to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform this Guaranty and the other Repurchase Documents to which it is a party or signatory.

(b) Each Guarantor that is not an individual has made all filings in the state of its organization and has made all filings as a foreign organization and is in good standing in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a materially adverse effect on the business, operations, assets or condition (financial or otherwise) of such Guarantor.

(c) Guarantor's execution, delivery and performance of this Guaranty and any of the Repurchase Documents to which Guarantor is a party or signatory have been duly authorized by all necessary action by Guarantor.

(d) The execution, delivery and performance of the Repurchase Documents by Guarantor will not violate (i) Guarantor's organizational documents or any other formation document, as applicable; (ii) any legal requirement affecting Guarantor or any of its property; or (iii) any agreement to which Guarantor is a party or by which it or any of its property is bound and will not result in or require the creation of any lien upon any of its property.

(e) No approvals, authorizations or consents of any trustee or holder of any indebtedness or obligation of Guarantor are required for the due execution, delivery and performance by Guarantor of this Guaranty or any of the Repurchase Documents to which Guarantor is a party.

(f) This Guaranty and any other Repurchase Documents to which Guarantor is a party have been duly executed by Guarantor, and are legally, valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(g) There exists no material violation of or material default by Guarantor and no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default with respect to (i) the terms of any instrument evidencing or securing any obligations of Guarantor, (ii) any lease or other agreement to which Guarantor is a party,(iii) any license, permit, statute, ordinance, law, judgment, order, writ, injunction, decree, rule or regulation of any governmental authority, or any determination or award of any arbitrator to or by which Guarantor or Guarantor's property may be subject or bound, or (iv) any deed of trust, mortgage, security agreement, instrument, or other agreement by which Guarantor or any of its property is bound which might (1) materially and adversely affect the ability of Guarantor to perform its obligations under this Guaranty or any other material instrument, agreement or document to which it is a party, or (2) adversely affect the priority of the liens and security interests created by this Guaranty or any of the other Repurchase Documents.

(h) There is no action, suit, investigation, proceeding or arbitration (whether or not purportedly on behalf of Guarantor) at law or in equity or before or by any foreign or domestic court or other governmental entity (a "Legal Action"), pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor or any of its assets which could reasonably be expected to result in any material adverse change in the business, operations, assets or condition (financial or otherwise) of Guarantor or would materially and adversely affect Guarantor's ability to perform its obligations under this Guaranty and any of the other Repurchase Documents to which it is a party. There is no basis known to Guarantor for any such Legal Action. Guarantor is not (i) in violation of any applicable law which violation materially and adversely affects or may materially and adversely affect Guarantor or Guarantor's business, operations, assets or condition (financial or otherwise), (ii) subject to, or in default with respect to, any other legal requirement that would have a materially adverse effect on Guarantor or Guarantor's business, operations, assets or condition (financial or otherwise), or (iii) in default with respect to any agreement to which it is a party or by which it is bound. There is no Legal Action pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor questioning the validity or the enforceability of this Guaranty or any of the other Repurchase Documents.

(i) Guarantor has good, sufficient and legal title to all properties and assets reflected in its most recent balance sheet or personal financial statement, as applicable, delivered to Buyer.

(j) There is no fact known to Guarantor that materially and adversely affects the business, operations, assets or condition (financial or otherwise) of Guarantor which has not been disclosed in this Guaranty or in other documents, certificates and written statements furnished to Buyer in connection herewith.

(k) All tax returns, extension filings, and reports of Guarantor required to be filed by it have been timely filed, and all taxes, assessments, fees and other governmental charges upon Guarantor or upon its properties, assets, income and franchises which are due and payable have been paid when due and payable. Guarantor does not know of any proposed tax assessment against it or its property that would be material to its condition (financial or otherwise), and Guarantor has not contracted with any government entity in connection with such taxes.

(l) The financial statements and all financial data previously delivered to Buyer in connection with the Facility and/or relating to Guarantor are true, correct and complete in all material respects. Such financial statements fairly present the financial position of the subject thereof as of the date thereof. No material adverse change has occurred in such financial position and, except for this Loan, no borrowings have been made by Guarantor since the date thereof which are secured by, or might give rise to, a lien or claim against the proceeds of the Facility or any collateral that secures the Facility.

12. Financial Covenants; No Transfers.

(a) Guarantor covenants and agrees to provide to Buyer the financial statements required with respect to guarantors as provided in Section 7.4 of the Repurchase Agreement.

(b) Guarantor covenants and agrees to maintain the financial covenants applicable to guarantors as provided in the Repurchase Agreement.

(c) Guarantor covenants and agrees to immediately notify Buyer of any material adverse change in Guarantor's financial status.

(d) Guarantor has not and will not, without the prior written consent of Buyer, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein, other than in the ordinary course of Guarantor's business. Guarantor further covenants and agrees that no assets belonging to Guarantor (whether or not disclosed in a financial statement or Facility application to Buyer) have been transferred into an asset protection trust or an irrevocable trust within two (2) years prior to the date of this Guaranty, and Guarantor will not transfer any assets into an asset protection trust or an irrevocable trust while this Guaranty is outstanding without Buyer's written permission.

13. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission) and shall be given to such party at its address set forth below. Each such notice, request or other communication shall be effective (a) if given by mail, three (3) days after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, (b) if given by reputable overnight delivery service, when delivered, or (c) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified below.

To Buyer:	WESTERN ALLIANCE BANK 3033 W. Ray Road Chandler, AZ 85226 Attention: Albert Thuma
To Guarantor:	REDFIN CORPORATION 1099 Stewart Street Suite 600 Seattle, WA 98101 Attention: General Counsel

14. Successors and Assigns. This Guaranty shall be binding upon Guarantor, its successors and assigns and shall inure to the benefit of and shall be enforceable by Buyer, its successors, endorsees and assigns.

15. Community Property. Any married person executing this Guaranty agrees that recourse may be had against community assets and against his or her separate property for the satisfaction of all Guaranteed Obligations. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

16. Costs of Enforcement. If any or all of the Guaranteed Obligations are not paid when due, Guarantor agrees to pay all costs of enforcement and collection and preparation therefore (including, without limitation, reasonable attorneys' fees and any amounts disbursed by Buyer in connection with enforcing Buyer's remedies under the Repurchase Documents) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)) together with interest thereon from the date of demand at the Post-Default Rate (as defined in the Repurchase Agreement).

17. WAIVER OF DEFENSES AND RELEASE OF CLAIMS. The undersigned hereby (a) represents that neither the undersigned nor any affiliate or principal of the undersigned has any defenses to or setoffs against any indebtedness or other obligations owing by the undersigned, or by the undersigned's affiliates or principals, to Buyer or Buyer's affiliates (the "Obligations"), nor any claims against Buyer or Buyer's affiliates for any matter whatsoever, related or unrelated to the Obligations, and (b) releases Buyer and Buyer's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including, without limitation, the subject matter of this Guaranty. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Buyer or Buyer's affiliates. The undersigned acknowledges that Buyer has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

18. JURY WAIVER. GUARANTOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH GUARANTOR AND BUYER MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS GUARANTY, THE REPURCHASE AGREEMENT OR ANY OF THE OTHER REPURCHASE DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS GUARANTY. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GUARANTOR, AND GUARANTOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. GUARANTOR FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS GUARANTY AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THIS PROVISION IS A MATERIAL INDUCEMENT TO BUYER TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER REPURCHASE DOCUMENTS.

19. Right of Setoff. In addition to all liens upon, and rights of setoff against, the monies, instruments, certificates of deposit, securities or other property of Guarantor given to Buyer by law, Buyer shall have a lien and a right of setoff against, and Guarantor hereby grants to Buyer a security interest in, all monies, instruments, certificates of deposit, securities and other property of Guarantor now or hereafter in the possession of or on deposit with Buyer, whether held in a general or special account or deposit including any account or deposit held jointly by Guarantor with any other person or entity, or for safekeeping or otherwise, except to the extent specifically prohibited by law. Every such lien, right of setoff and security interest may be exercised without demand upon or notice to Guarantor. No lien, right of setoff, or security interest shall be deemed to have been waived by any act or conduct on the part of Buyer, by any neglect to exercise such right of setoff or to enforce such lien or security interest, or by any delay in so doing. The rights and remedies of Buyer hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Buyer may have.

20. GOVERNING LAW; JURISDICTION.

(a) THIS GUARANTY HAS BEEN DELIVERED IN ARIZONA AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

(b) Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Buyer or any affiliate of the Buyer in any way relating to this Guaranty or any other Repurchase Documents or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court for the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty or in any other Repurchase Documents shall affect any right that the Buyer may otherwise have to bring any action or proceeding relating to this Guaranty or any other Repurchase Documents against the Guarantor or any other party to any of the Repurchase Documents or their respective properties in the courts of any jurisdiction.

21. No Third Party Beneficiaries. This Guaranty is solely for the benefit of Buyer, its successors, endorsees and assigns, and is not intended to nor shall it be deemed to be for the benefit of any third party, including Seller.

22. Severability. If any provision of this Guaranty is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect.

23. Counterparts. This Guaranty may be executed in counterparts, all of which executed counterparts shall together constitute a single document.

24. Counsel. Guarantor acknowledges that Guarantor has had adequate opportunity to carefully read this Guaranty and to consult with an attorney of Guarantor's choice prior to signing it.

25. Amendments. No amendment or waiver of any provision of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Buyer.

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IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

REDFIN CORPORATION, a Delaware corporation

By: /s/ Glenn Kelman
Name: Glenn Kelman
Title: CEO

Exhibit 21.1

Subsidiaries of Redfin Corporation

Name of Subsidiary	Jurisdiction
Walk Score Management, LLC	Washington
Redfin Mortgage, LLC	Delaware
Forward Settlement Solutions, Inc. dba Title Forward	Delaware
RDFN Ventures, Inc.	Delaware

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated April 5, 2017 relating to the consolidated financial statements of Redfin Corporation and subsidiaries appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte & Touche LLP

Seattle, Washington

June 30, 2017