

Redwood Mortgage Investors VIII Liquidation Request

Investor Name _____

RMI Partner # _____

To: Redwood Mortgage Investors VIII

This letter is to inform the general partners of my desire to begin liquidating my Redwood Mortgage Investors VIII asset. I would like to liquidate as follows:

[] 5-year or longer - Up to 5% of the capital account balance at the time my request is received paid quarterly until the asset is fully liquidated (5-years or longer). Subject to available cash flow, payments will be scheduled to begin the end of the quarter following the quarter my instructions are received, provided that such notice is received thirty days prior to the end of the preceding quarter.

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[ ] Accelerated - Up to 25% of the capital account balance at the time my request is received, **less a 10% penalty**, paid quarterly until the asset is fully liquidated. Subject to available cash flow, payments will be scheduled to begin the end of the quarter following the quarter my instructions are received, provided that such notice is received thirty days prior to the end of the preceding quarter. Accelerated payments are also subject to the priority order in the prospectus.

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(Initial) **By checking the box above, I understand that I am choosing the Accelerated liquidation option, that there will be a 10% penalty assessed on each payment and that payments are subject to the priority of those requesting the 5-year or longer option.**

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[] Death Provision* - Up to 25% of the capital account balance at the time my request is received paid quarterly until the asset is fully liquidated. Subject to available cash flow, payments will be scheduled to begin the end of the quarter following the quarter my instructions are received, provided that such notice is received thirty days prior to the end of the preceding quarter. Death Provision payments are also subject to the priority order in the prospectus.

(Initial) **By checking the box above, I understand that I am choosing the Death Provision liquidation option, and that payments are subject to the priority of those requesting the 5-year or longer option and the Accelerated Liquidation option.**

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(Initial) **I understand that under the Redwood Mortgage Investors VIII Limited Partnership Agreement, liquidation payments are always subject to the availability of sufficient cash flow generated in the ordinary course of the Partnership's business, the Partnership is not required to sell loans to meet the withdrawal requests of Limited Partners and no reserve is established to fund liquidation payments.**

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If you are not already receiving earnings distributions paid to you:

- [] In addition to the capital liquidation payments, please also pay any earnings distributions
- [] Do not make any distributions other than the liquidation payments requested above

(Initial) **I understand that once I elect to receive earnings distributions, the choice to receive these distributions is irrevocable and must continue for the life of the investment.**

Investor Signature

Date

Send completed and signed form to:
Redwood Mortgage Investors
177 Bovee Road, Suite 520
San Mateo, CA 94402

* In order to select the Death Provision, heirs are required to notify the general partners in writing of their intent to begin liquidating the account within six months from the date of death.