



CONSENT MATERIAL

ZAIS INCOME NOTE 3, LTD.

NOTICE OF PROPOSED AMENDMENT TO THE COLLATERAL MANAGEMENT AGREEMENT AND REQUEST FOR CONSENT OF INCOME NOTE HOLDERS

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED HOLDERS AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO THE REGISTERED HOLDERS AND BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.

October 5, 2022

To: The Holders of the Notes as of October 5, 2022 (the “Notice Record Date”):

<u>Notes</u>	<u>CUSIP* Rule 144A</u>	<u>ISIN* Rule 144A</u>	<u>Common Code* Rule 144A</u>	<u>Cusip* Reg S</u>	<u>ISIN* Reg S</u>	<u>Common Code* Reg S</u>
Income Notes	98887K AA5	US98887KAA51	123327390	G98852 AA7	USG98852AA78	123327497

To: Those Additional Addressees listed on Schedule I hereto

Reference is hereby made to (i) that certain Indenture dated as of May 13, 2015 (as amended and supplemented from time to time, the “Indenture”) among ZAIS CLO 3, Limited, as Issuer (the “Issuer”), ZAIS CLO 3, LLC, as Co-Issuer (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and The Bank of New York Mellon Trust Company, National Association, as Trustee, (ii) that certain Collateral Management Agreement dated as of May 13, 2015 (as amended and supplemented from time to time, the “Collateral Management Agreement”) among the Co-Issuers and ZAIS Leveraged Loan Manager 3, LLC, as collateral manager (the “Collateral Manager”) and (iii) that certain Income Note Paying Agency Agreement dated as of May 13, 2015 (the “INPAA”) among ZAIS Income Note 3, Ltd., as Income Note Issuer (the “Income Note Issuer”) and The Bank of New York Mellon Trust

* No representation is made as to the correctness of the CUSIP, ISIN, or Common Code numbers either as printed on the Notes or as contained in this notice. Such numbers are included solely for the convenience of the Holders.

Company, National Association, as Income Note Paying Agent and Income Note Registrar. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture, the Collateral Management Agreement or the INPAA, as applicable.

Pursuant to Section 20 of the Collateral Management Agreement, the Collateral Management Agreement may be amended or modified subject to the consent of (i) a Majority of the Controlling Class and (ii) the Equity Majority. For the avoidance of doubt, the Equity Majority is defined under the Indenture as the Majority of the Subordinated Notes. The Collateral Manager and the Issuer wish to amend the Collateral Management Agreement. A copy of the proposed Amendment is attached hereto as Exhibit A.

Holders of the Income Notes that wish to direct the Income Note Issuer to consent to the substance of the Amendment are requested to complete a consent and direction in the form attached as Exhibit B hereto (the “Consent”) and return the same with their executed counterpart to the Amendment to the Trustee by 5:00 pm (ET) on or prior to October 30, 2022, at the address set forth in Schedule I hereto. For the avoidance of doubt, the Holders of the Subordinated Notes must complete the consent applicable thereto in respect of the Amendment by 5:00 pm (ET) on or prior to October 31, 2022. Affirmative consents in favor of the Amendment are irrevocable upon receipt by the Trustee.

The Notice Record Date for determining the Holders entitled to receive this Notice of Proposed Amendment to the Collateral Management Agreement and Request for Consent of Income Note Holders shall be October 5, 2022. Upon execution and delivery of the attached Consent, the Consent may be relied upon by the Trustee and the Income Note Issuer.

The Amendment shall not become effective until the execution and delivery of the Amendment by the parties thereto and the satisfaction of all other conditions precedent set forth therein and in the Collateral Management Agreement.

THE TRUSTEE MAKES NO STATEMENT AS TO THE RIGHTS OF THE HOLDERS OF THE NOTES IN RESPECT OF THE AMENDMENT AND MAKES NO RECOMMENDATIONS AS TO ANY ACTION TO BE TAKEN OR NOT TO BE TAKEN WITH RESPECT TO THE AMENDMENT OR OTHERWISE AND ASSUMES NO RESPONSIBILITY FOR THE CONTENTS, SUFFICIENCY OR VALIDITY OF THE AMENDMENT. HOLDERS ARE ADVISED TO CONSULT THEIR OWN LEGAL OR INVESTMENT ADVISOR.

Should you have any questions, please contact Eva Knight at (713) 483-7948 or at eva.knight@bnymellon.com.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION**, as Trustee and Income
Note Paying Agent

SCHEDULE I
Additional Addressees

Issuer:

ZAIS CLO 3, Limited
c/o MaplesFS Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands
Attn: The Directors
Fax: (345) 945-7100
cayman@maplesfs.com

Co-Issuer:

ZAIS CLO 3, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
dpuglisi@puglisiassoc.com

Cayman Islands Stock Exchange:

Cayman Islands Stock Exchange
P.O. Box 2408
Grand Cayman KY1-1105
Cayman Islands
listing@csx.ky

Income Note Issuer:

ZAIS Income Note 3, Ltd.
c/o MaplesFS Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands
cayman@maplesfs.com

Collateral Manager:

ZAIS Leveraged Loan Manager 3, LLC
c/o ZAIS Group, LLC
2 Bridge Avenue, Suite #322
Red Bank, New Jersey 07701
Attn: General Counsel
Fax: (732) 530-3610
zaislegal@zaisgroup.com

DTC, Euroclear & Clearstream (if applicable):

legalandtaxnotices@dtcc.com
voluntaryreorgannouncements@dtcc.com
consentannouncement@dtcc.com
drit@euroclear.com
ca_general.events@clearstream.com

EXHIBIT A

PROPOSED AMENDMENT TO COLLATERAL MANAGEMENT AGREEMENT

AMENDMENT TO COLLATERAL MANAGEMENT AGREEMENT

WHEREAS, ZAIS LEVERAGED LOAN MANAGER 3, LLC (the “Collateral Manager”), ZAIS CLO 3, LIMITED, (the “Issuer”) and ZAIS INCOME NOTE 3, LTD. (the “Income Note Issuer”) have entered into that certain Collateral Management Agreement dated as of May 13, 2015 (the “Collateral Management Agreement”) (collectively, the “Parties”).

WHEREAS, the Parties wish to amend the Collateral Management Agreement pursuant to this Amendment Agreement (the “Amendment Agreement”) dated as of October [], 2022.

NOW THEREFORE, in order to give effect to the foregoing, the Parties agree to amend the Collateral Management Agreement as follows:

1. Amendment

Clause (h) of Section 14 of the Collateral Management Agreement shall be deleted in its entirety and replaced with the following:

"(h) Daniel Curry ceases to be employed by the Collateral Manager or ZAIS Group, LLC or is no longer actively involved in the management of the Collateral Obligations on behalf of the Issuer; or"

2. Miscellaneous

Subject to clause 1 hereof, the Collateral Management Agreement shall continue in full force and effect. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment Agreement shall not operate as a waiver or an amendment of any right, power, or remedy of any of the Parties under the Collateral Management Agreement. Capitalized terms used herein without definition shall have the meanings assigned to them in the Collateral Management Agreement or the Indenture, as applicable.

This amendment takes effect as of the date of this Amendment Agreement upon receipt of: (x) executed counterparts hereof by each of the Collateral Manager, the Issuer and the Income Note Issuer, (y) the consent of the Majority of the Controlling Class and (z) the consent of the Equity Majority. This amendment constitutes an integral part of the Collateral Management Agreement.

This Amendment Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. Delivery of an executed signature page to this Amendment Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed signature page of this Amendment Agreement.

This Amendment Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment Agreement as of the date first written above.

ZAIS CLO 3, LIMITED, as Issuer

By: _____

Name:

Title:

ZAIS INCOME NOTE 3, LTD., as Income
Note Issuer

By: _____

Name:

Title:

ZAIS LEVERAGED LOAN MANAGER 3,
LLC, as Collateral Manager

By: _____

Name:

Title:

EXHIBIT B

CONSENT AND DIRECTION

ZAIS INCOME NOTE 3, LTD.

PLEASE RETURN THIS CONSENT BY MAIL OR EMAIL BY 5:00 PM (ET) on October 30, 2022 TO THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION AT THE ADDRESS AND EMAIL BELOW:

The Bank of New York Mellon Trust Company, National Association, as Income Note Paying Agent and Income Note Registrar
601 Travis Street, 16th Floor
Houston, Texas 77002
Attention: Global Corporate Trust – ZAIS Income Note 3, Ltd.
Email: zaiscloteam@bnymellon.com

Reference is made to (i) that certain Income Note Paying Agency Agreement dated as of May 13, 2015 (the “INPAA”) among ZAIS Income Note 3, Ltd., as Income Note Issuer and The Bank of New York Mellon Trust Company, National Association, as Income Note Paying Agent and Income Note Registrar and (ii) that certain Notice of Proposed Amendment to Collateral Management Agreement and Request for Consent of Income Note Holders dated as of October 5, 2022 (the “Notice”). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the INPAA and Notice.

This is to certify that the Person identified below on Addendum I was a Holder of the Outstanding Amount of the Income Notes as specified below as of the Notice Record Date (October 5, 2022) and that it has the full power and authority to execute and deliver this consent and direction (the “Consent”) and has reviewed and understands the Notice and the terms of the Consent. The undersigned acknowledges and agrees that an affirmative consent and direction to the execution of the Amendment will be irrevocable and will bind all subsequent holders and assigns.

IN ADDITION TO SIGNING AND COMPLETING THIS CONSENT AND COMPLETING THE PROOF OF OWNERSHIP FORM ATTACHED HERETO AS ADDENDUM 1, PLEASE CLEARLY INSERT THE ORIGINAL AND CURRENT OUTSTANDING AMOUNT OF THE NOTES THAT YOU HOLD AND/OR ARE AUTHORIZED TO VOTE.

ORIGINAL AGGREGATE OUTSTANDING
AMOUNT OF INCOME NOTES:

CURRENT AGGREGATE OUTSTANDING
AMOUNT OF INCOME NOTES:

The undersigned Holder as of the Notice Record Date (October 5, 2022) hereby (please check one box only):

- CONSENTS to the execution of the Amendment and directs the Income Note Issuer to execute and deliver a consent to such Amendment.**
- DOES NOT CONSENT to the execution of the Amendment.**

NAME OF HOLDER: _____
(Print Name of Entity)¹

By: _____

Name: _____

Title: _____

AFFIRMATIVE CONSENTS IN FAVOR OF THE AMENDMENT ARE IRREVOCABLE UPON RECEIPT AND WILL BE BINDING ON ANY SUBSEQUENT HOLDERS AND ASSIGNS.

¹ In the case of book-entry Notes held through the Depository Trust Company (“DTC”), the name inserted must be the Direct Participant’s name as it appears in the securities listing position furnished to the Trustee by DTC. In the case of Notes held in physical definitive form, the name inserted must be exactly the same as the name which appears on the form of any such Notes.

ADDENDUM 1
ZAIS INCOME NOTE 3, LTD.

PROOF OF OWNERSHIP

Registered Holder*: _____

Signature of Registered Holder*: _____

Registered Holder* Contact Name: _____

Registered Holder* Telephone Number: _____

Registered Holder* Email Address: _____

Underlying Beneficial Owner:
(optional if held by Custodian or Nominee) _____

Beneficial Owner Contact Name *(optional)*: _____

Beneficial Owner Telephone Number *(optional)*: _____

Beneficial Owner Email Address *(optional)*: _____

DTC Participant Number *(if applicable)*: _____

Class of Notes Held: INCOME NOTES

CUSIP/ISIN/Common Code number: _____

Holding: _____
(Original Aggregate Outstanding Amount)

(Current Aggregate Outstanding Amount)

Notary or Screen Shot Required:

Date: _____

** For DTC positions, "Registered Holder" refers to the DTC Participant, Custodian or Nominee*