
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 3
to

FORM S-11

**FOR REGISTRATION
UNDER
THE SECURITIES ACT OF 1933
OF CERTAIN REAL ESTATE COMPANIES**

ZAIS Financial Corp.

(Exact name of registrant as specified in its governing instruments)

ZAIS Financial Corp.
Two Bridge Avenue, Suite 322
Red Bank, New Jersey 07701-1106
(732) 978-7518

*(Address, including Zip Code, and Telephone Number, including Area Code,
of Registrant's Principal Executive Offices)*

Michael Szymanski
Chief Executive Officer and President
ZAIS Financial Corp.
Two Bridge Avenue, Suite 322
Red Bank, New Jersey 07701-1106
(732) 978-7518

*(Name, Address, including Zip Code, and Telephone Number,
including Area Code, of Agent for Service)*

Copies to:

Jay L. Bernstein, Esq.
Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019
Tel (212) 878-8000
Fax (212) 878-8375

David J. Goldschmidt, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square
New York, New York 10036
Tel (212) 735-3000
Fax (212) 735-2000

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, 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.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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 which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, 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.

EXPLANATORY NOTE

ZAIS Financial Corp. is filing this Amendment No. 3 (the "Amendment") to its Registration Statement on Form S-11 (Registration No. 333-185938) (the "Registration Statement") as an exhibit-only filing to file Exhibits 4.1, 5.1, 8.1, 10.12, 10.14, 23.1 and 23.2, none of which have been previously filed and to amend Exhibit 21.1. Accordingly, this Amendment consists only of the facing page, this explanatory note, Part II of the Registration Statement, the signature pages to the Registration Statement and the filed exhibits. The preliminary prospectus is unchanged and has therefore been omitted.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. Other expenses of issuance and distribution.

The following table shows the fees and expenses, other than underwriting fee, to be paid by us in connection with the sale and distribution of the securities being registered hereby. All amounts except the SEC registration fee are estimated.

Securities and Exchange Commission registration fee	\$ 19,096
Financial Industry Regulatory Authority, Inc. filing fee	\$ 20,850
NYSE listing fee	\$ 125,000
Legal fees and expenses (including Blue Sky fees)	\$ 850,000
Accounting fees and expenses	\$ 700,787
Printing and engraving expenses	\$ 200,000
Transfer agent fees and expenses	\$ 3,500
Miscellaneous	\$ 80,767
Total	\$ 2,000,000⁽¹⁾

(1) Our Advisor has agreed to pay any expenses in connection with this offering in excess of \$1.2 million.

Item 32. Sales to Special Parties.

None.

Item 33. Recent sales of unregistered securities.

On July 29, 2011, we completed a private placement whereby existing holders of shares and limited partnership interests in two funds from the Matrix VI series of funds of cash and RMBS assets with a net asset value of \$60.5 million (calculated as of July 29, 2011) exchanged their shares and limited partnership interests for an aggregate of 3,022,617 shares of our common stock, which equaled a value per share of common stock as of July 29, 2011 of \$20.00. We received \$60.5 million in the private placement, including \$8.65 million from certain current and former employees of ZAIS and relatives of such persons as well as current and former members and owners of ZAIS (or, collectively, the ZAIS Parties) and deployed the cash together with additional borrowings to build a diversified portfolio of RMBS assets. The ZAIS Parties who participated in our formation received 432,328 shares of our common stock in connection therewith. Such issuances were exempt from the registration requirements of the Securities Act pursuant to Section 4(2) or Regulation S thereof.

On January 18, 2012, we sold 133 shares of our Series A Cumulative Non-Voting Preferred Stock, par value \$0.0001 per share (or the Series A Preferred Shares), for \$1,000 per share to a select group of investors who are "accredited investors" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act. Such issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof. The Series A Preferred Shares were sold through H & L Equities, LLC or such other registered broker-dealers as selected by REIT Funding, LLC. In exchange for providing such services, we paid a fee of \$15,000 to REIT Funding, LLC (and agreed to reimburse REIT Funding, LLC for certain expenses). From this fee, REIT Funding, LLC was responsible for paying the brokerage or placement fees of \$6,650 and advisory fees.

On October 11, 2012, we completed the closing of a private offering. We sold 195,457 shares of common stock and 22,492 OP Units in reliance on exemptions from the registration requirements of the Securities Act pursuant to Section 4(2) or Regulation S thereof at an offering price of \$22.23 per common share or OP Unit, as applicable. Net proceeds from the closing of this offering, after deducting offering expenses, were \$4.4 million, which we used to repurchase shares of common stock.

On December 13, 2012, we completed the closing of a private offering. We sold 36,581 shares of common stock and 904,422 OP units in reliance on exemptions from the registration requirements of the Securities Act pursuant to Section 4(2) or Regulation S thereof at an offering price of \$22.39 per common share or OP Unit, as applicable. Net proceeds from the closing of this offering, after deducting offering expenses, were \$20.9 million, which we plan to use to fund the repurchase of shares of common stock in connection with the January 2013 share repurchase and to purchase of our target assets, focusing primarily on Agency RMBS and non-Agency RMBS.

Item 34. Indemnification of directors and officers.

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty that was established by a final judgment and was material to the cause of action. Our charter contains a provision that eliminates the liability of our directors and officers to the maximum extent permitted by Maryland law.

The MGCL requires us (unless our charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits us to indemnify our present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, we may not indemnify a director or officer in a suit by us or in our right in which the director or officer was adjudged liable to us or in a suit in which the director or officer was adjudged liable on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses.

In addition, the MGCL permits us to advance reasonable expenses to a director or officer upon our receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by us; and
- a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us to obligate ourselves, and our bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, manager, managing member or trustee of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and any employee or agent of our company or a predecessor of our company.

We have entered into indemnification agreements with each of our directors and officers that provide for indemnification to the maximum extent permitted by Maryland law.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 35. Treatment of proceeds from stock being registered.

None of the proceeds will be credited to an account other than the appropriate capital share account.

Item 36. Financial statements and exhibits.

- (a) **Financial Statements** . See page F-1 for an index of the financial statements that are being filed as part of this Registration Statement.
- (b) **Exhibits** . The following is a complete list of exhibits filed as part of the registration statement, which are incorporated herein:

<u>Exhibit number</u>	<u>Exhibit description</u>
1.1**	Form of Underwriting Agreement among ZAIS Financial Corp., ZAIS Financial Partners, L.P., ZAIS REIT Management, LLC and the underwriters named therein
3.1*	Articles of Amendment and Restatement of ZAIS Financial Corp.
3.2*	Articles Supplementary of ZAIS Financial Corp.

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<u>Exhibit number</u>	<u>Exhibit description</u>
3.3*	Bylaws of ZAIS Financial Corp.
4.1	Specimen Common Stock Certificate of ZAIS Financial Corp.
5.1	Opinion of Clifford Chance US LLP (including consent of such firm)

- 8.1 Tax Opinion of Clifford Chance US LLP (including consent of such firm)
- 10.1* Second Amended and Restated Investment Advisory Agreement, dated as of December 13, 2012, by and among ZAIS Financial Corp., ZAIS Financial Partners, L.P., ZAIS Asset I, LLC, ZAIS Asset II, LLC, ZAIS Asset III, LLC, ZAIS Asset IV, LLC and ZAIS REIT Management, LLC
- 10.2* Agreement of Limited Partnership, dated as of July 29, 2011, of ZAIS Financial Partners, L.P., as amended on August 3, 2011, October 11, 2012, and December 13, 2012.
- 10.3* Registration Rights Agreement, dated August 3, 2011, among ZAIS Financial Corp., ZAIS Group, LLC and certain persons listed on Schedule I thereto
- 10.4* First Amended and Restated Registration Rights Agreement, dated October 11, 2012, among ZAIS Financial Corp., ZAIS Group, LLC and certain persons listed on Schedule I thereto
- 10.5* First Amended and Restated Registration Rights Agreement, dated December 13, 2012, among ZAIS Financial Corp., ZAIS REIT Management, LLC and certain persons listed on Schedule I thereto
- 10.6* Indemnification Agreement, dated August 3, 2011, between ZAIS Financial Corp. and Christian Zugel
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- 10.8* Indemnification Agreement, dated August 3, 2011, between ZAIS Financial Corp. and Denise Crowley
- 10.9* Indemnification Agreement, dated August 3, 2011, between ZAIS Financial Corp. and Paul McDade
- 10.10* Indemnification Agreement, dated August 3, 2011, between ZAIS Financial Corp. and Brian Hargrave
- 10.11* Indemnification Agreement, dated December 13, 2012, between ZAIS Financial Corp. and Steven Haber
- 10.12 Form of Indemnification Agreement among ZAIS Financial Corp. and its proposed directors
- 10.13* ZAIS Financial Corp. 2012 Equity Incentive Plan
- 10.14 Form of License Agreement
- 10.15* Forms of Irrevocable Exchange and Subscription Agreement between various contributors and ZAIS Financial Corp. (relating to the initial formation transactions)
- 21.1 List of Subsidiaries of ZAIS Financial Corp.
- 23.1 Consent of Clifford Chance US LLP (included in Exhibit 5.1)

- 23.3* Consent of PricewaterhouseCoopers LLP
 - 99.1* Consent of Daniel Mudge as a director nominee
 - 99.2* Consent of Marran Ogilvie as a director nominee
 - 99.3* Consent of Eric Reimer as a director nominee
 - 99.4* Consent of James Zinn as a director nominee
-

* Filed previously.

** To be filed by amendment.

Item 37. Undertakings.

- (a) 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.
- (b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (or the Securities Act), may be permitted to directors, officers or 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 and is, therefore, unenforceable. If 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 and will be governed by the final adjudication of such issue.
- (c) The undersigned registrant hereby further undertakes that:
 - (1) For purposes of determining any liability under the Securities Act 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, 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, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Red Bank, State of New Jersey, on February 5, 2013.

ZAIS Financial Corp.

By: /s/ Michael Szymanski

Name: Michael Szymanski
Title: Chief Executive Officer and President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

	<u>Signatures</u>	<u>Title</u>	<u>Date</u>
By:	* _____ Christian Zugel	Chairman of the Board of Directors (Co-Principal Executive Officer)	February 5, 2013
By:	/s/ Michael Szymanski _____ Michael Szymanski	Chief Executive Officer, President and Director (Co-Principal Executive Officer)	February 5, 2013
By:	* _____ Paul McDade	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 5, 2013
*By:	/s/ Michael Szymanski _____ Michael Szymanski Attorney-in-fact		

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* Filed previously.

** To be filed by amendment.

QuickLinks

EXPLANATORY NOTE
PART II INFORMATION NOT REQUIRED IN PROSPECTUS

- Item 31. Other expenses of issuance and distribution.
- Item 32. Sales to Special Parties.
- Item 33. Recent sales of unregistered securities.
- Item 34. Indemnification of directors and officers.
- Item 35. Treatment of proceeds from stock being registered.
- Item 36. Financial statements and exhibits.
- Item 37. Undertakings.

SIGNATURES
EXHIBIT INDEX

ZFC

ZAIS FINANCIAL CORP.

INCORPORATED UNDER THE LAWS OF THE STATE OF MARYLAND

THIS CERTIFICATE IS TRANSFERABLE
IN SOUTH SAINT PAUL, MN.

SEE REVERSE SIDE FOR IMPORTANT
NOTICE ON TRANSFERRENCE RIGHTS
AND OTHER INFORMATION

CUSIP

THIS CERTIFIES THAT

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK, 50.0001 PAR VALUE PER SHARE, OF
ZAIS Financial Corp.

(the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the charter and the Bylaws of the Corporation and any amendments thereto. This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the said Corporation has caused this certificate to be signed by facsimile signatures of its duly authorized officers.

Date:

COUNTERSIGNED AND REGISTERED:
American Stock Transfer & Trust Company, LLC

TRANSFER AGENT
AND REGISTRAR

AUTHORIZED SIGNATURE

CHIEF EXECUTIVE OFFICER AND PRESIDENT

CHIEF FINANCIAL OFFICER AND TREASURER

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

IMPORTANT NOTICE

The Corporation will furnish to any stockholder, on request and without charge, a full statement of the information required by Section 2-211 (b) of the Corporations and Associations Article of the Annotated Code of Maryland with respect to the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the stock of each class which the Corporation has authority to issue and, if the Corporation is authorized to issue any preferred or special class in series, (i) the differences in the relative rights and preferences between the shares of each series to the extent set and (ii) the authority of the Board of Directors to set such rights and preferences of subsequent series. The foregoing summary does not purport to be complete and is subject to and qualified in its entirety by reference to the charter of the Corporation (the "Charter"), a copy of which will be sent without charge to each stockholder who so requests. Such request must be made to the Secretary of the Corporation at its principal office.

The shares represented by this certificate are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the Corporation's maintenance of its qualification as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Charter, (i) no Person may Beneficially Own or Constructively Own shares of Common Stock in excess of 9.8 percent (in value or number of shares, whichever is more restrictive) of the outstanding shares of Common Stock unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own shares of Capital Stock in excess of 9.8 percent (in value or number of shares, whichever is more restrictive) of the total outstanding shares of Capital Stock, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially Own or Constructively Own Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code or otherwise cause the Corporation to fail to qualify as a REIT; (iv) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock being beneficially owned by fewer than 100 Persons, (v) prior to the date that either each class or series of Capital Stock qualifies as a class of Publicly-Offered Securities or the Corporation qualifies for another exception to the Plan Asset Regulations (other than the Insignificant Participation Exception), no Person shall Transfer or attempt to Transfer shares of Capital Stock to the extent such Transfer would result in holding of any class or series of Capital Stock by Benefit Plan Investors being deemed to be significant for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and (vi) prior to the date that either each class or series of Capital Stock qualifies as a class of Publicly-Offered Securities or the Corporation qualifies for another exception to the Plan Asset Regulations (other than the Insignificant Participation Exception), no Person (other than an underwriter that participates in the initial private placement of Capital Stock of the Corporation) shall Transfer or attempt to Transfer shares of Capital Stock unless such Person obtains from its transferee a representation and agreement that (1) its transferee is not (and will not be), and is not acting on behalf of, a Benefit Plan Investor or Controlling Person and (2) such transferee will obtain from its transferee the representation and agreement set forth in this sentence (including without limitation clauses (1) and (2)). Any Person who Beneficially Owns or Constructively Owns or attempts to Beneficially Own or Constructively Own shares of Capital Stock which causes or will cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation. If any of the restrictions on transfer or ownership are violated, the shares of Capital Stock in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings defined in the Charter, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Capital Stock on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its principal office.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UTMA – Custodian

(Cust) (Minor)

TEN ENT – as tenants by entireties

under Uniform Transfers to Minors

JT TEN – as joint tenants with right of survivorship

Act

and not as tenants in common

(State)

Additional abbreviations may also be used though not in above list.

For value received *hereby sell, assign, and transfer unto*

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE)

of stock represented by the within Certificate, and do hereby irrevocably constitute and appoint
to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Shares

Attorney

Dated _____

X

X

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST
CORRESPOND WITH THE NAME AS WRITTEN UPON THE
FACE OF THE CERTIFICATE IN EVERY PARTICULAR
WITHOUT ALTERATION OR ENLARGEMENT OR ANY
CHANGE WHATEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION (SUCH AS A BANK OR BROKER) WHICH IS A
PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK
EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM
("SEMP") AND MUST NOT BE DATED, GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

February 5, 2013
ZAIS Financial Corp.
Two Bridge Avenue, Suite 322
Red Bank, New Jersey 07701-1106

Ladies and Gentlemen:

We have acted as counsel to ZAIS Financial Corp. (the “**Company**”) in connection with the offer and sale by the Company of shares of its common stock, par value \$0.0001 per share (the “**Common Stock**”). The Common Stock is being sold pursuant to the Company’s Registration Statement on Form S-11 (File No. 333-185938) (together with any amendments thereto, the “**Registration Statement**”) under the Securities Act of 1933, as amended (the “**Securities Act**”).

In rendering the opinion expressed below, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, documents, certificates and other instruments as in our judgment are necessary or appropriate. As to factual matters relevant to the opinion set forth below, we have relied upon certificates of officers of the Company and public officials as in our judgment are necessary or appropriate.

Based on the foregoing, and such other examination of law as we have deemed necessary, we are of the opinion that the Common Stock has been duly and validly authorized and, when issued and sold in the manner contemplated by the prospectus for the offering of shares of Common Stock included in the Registration Statement, such shares of Common Stock will be legally issued, fully paid and non-assessable.

The opinion set forth in this letter relates only to the General Corporation Law of the State of Maryland, and we express no opinion as to the laws of another jurisdiction and we assume no responsibility for the applicability or effect of the law of any other jurisdiction.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption “Legal Matters” in the prospectus, which is a part of the

Registration Statement. In giving this consent, we do not concede that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Clifford Chance US LLP

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

February 5, 2013

ZAIS Financial Corp.
Two Bridge Avenue, Suite 322
Red Bank, New Jersey 07701-1106

Re: REIT Qualification of ZAIS Financial Corp.

Ladies and Gentlemen:

We have acted as counsel to ZAIS Financial Corp., a Maryland corporation (the "Company"), in connection with the offering (the "Offering") by the Company of shares of its common stock, (the "Common Stock"), pursuant to the Company's registration statement on Form S-11 (Registration No. 333-185938) filed by the Company with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (together with any amendments thereto, the "Registration Statement"). Except as otherwise indicated, capitalized terms used in this opinion letter have the meanings given to them in the Registration Statement.

In rendering the opinions expressed herein, we have examined and, with your permission, relied on the following items:

1. the Articles of Amendment and Restatement of the Company;
2. the bylaws of the Company;
3. a Certificate of Representations, (the "Certificate of Representations") dated as of the date hereof, provided to us by the Company, ZAIS Financial Partners, L.P., a Delaware limited liability company (the "Operating Partnership") and ZAIS Group, LLC, a Delaware limited liability company (the "Manager");
4. the Registration Statement; and
5. such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinions referred to in this letter.

In our examination of the foregoing documents, we have assumed, with your consent, that (i) all documents reviewed by us are original documents, or true and accurate copies of original documents and have not been subsequently amended, (ii) the signatures of each original document are genuine, (iii) all representations and statements set forth in such documents are

true and correct, (iv) all obligations imposed by any such documents on the parties thereto have been performed or satisfied in accordance with their terms, (v) either a minimum of 320,000 shares of Common Stock will be sold in the Offering and the Offering will close on or prior to June 30, 2013, or the Company will otherwise take such steps so as to insure that, beginning on or prior to June 30, 2013, no five individuals (within the meaning of Section 542(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code")) will own more than 50% of the value of the Company's outstanding stock, directly or indirectly and taking into account the constructive ownership rules of Section 544 of the Code as modified by Section 856(h) of the Code, and (vi) the Company at all times will operate in accordance with the method of operation described in its organizational documents, the Registration Statement and the Certificate of Representations.

For purposes of rendering the opinions stated below, we have assumed, with your consent, the accuracy of the representations contained in the Certificate of Representations provided to us by the Company, the Operating Partnership and the Manager, and that each representation contained in such Certificate of Representations to the best of the Company's, the Operating Partnership's, or the Manager's knowledge or belief is accurate and complete without regard to such qualification as to the best of such entity's knowledge or belief. These representations generally relate to the organization and method of operation of the Company as a real estate investment trust (a "REIT") under the Code.

Based upon, subject to, and limited by the assumptions and qualifications set forth herein, we are of the opinion that:

1. Commencing with its taxable year ended December 31, 2011, the Company has been organized and operated in conformity with the requirements for qualification as a REIT under the Code, and its proposed method of operation as described in the Registration Statement and as set forth in the Certificate of Representations will enable the Company to continue to meet the requirements for qualification as a REIT under the Code.
2. The statements in the Registration Statement under the caption "U.S. Federal Income Tax Considerations," to the extent they describe applicable U.S. federal income tax law, are correct in all material respects.

The opinions set forth in this letter are based on relevant provisions of the Code, Treasury Regulations promulgated thereunder, interpretations of the foregoing as expressed in court decisions, legislative history, and existing administrative rulings and practices of the Internal Revenue Service ("IRS") (including its practices and policies in issuing private letter rulings, which are not binding on the IRS except with respect to a taxpayer that receives such a ruling), all as of the date hereof. These provisions and interpretations are subject to change, which may or may not be retroactive in effect, and which may result in modifications of our opinions. Our opinions do not foreclose the possibility of a contrary determination by the IRS or a court of competent jurisdiction, or of a contrary determination by the IRS or the Treasury Department in regulations or rulings issued in the future. In this regard, an opinion of counsel with respect to an

issue represents counsel's best professional judgment with respect to the outcome on the merits with respect to such issue, if such issue were to be litigated, but an opinion is not binding on the IRS or the courts and is not a guarantee that the IRS will not assert a contrary position with respect to such issue or that a court will not sustain such a position asserted by the IRS.

The opinions set forth above represent our conclusions based upon the documents, facts, representations and assumptions referred to above. Any material amendments to such documents, changes in any significant facts or inaccuracy of such representations or assumptions could affect the opinions referred to herein. Moreover, the Company's qualification as a REIT depends upon the ability of the Company to meet, for each taxable year, through actual annual operating results, requirements under the Code regarding gross income, assets, distributions and diversity of stock ownership. In particular, we note that the Company's continued qualification as a REIT will depend on the ability of the Company to raise sufficient additional shares in the Offering or take such other actions as are necessary to satisfy the diversity of ownership requirements for qualification as a REIT. We have not undertaken to review the Company's compliance with these requirements on a continuing basis. Accordingly, no assurance can be given that the actual results of the Company's operations for any single taxable year have satisfied or will satisfy the tests necessary to qualify as a REIT under the Code. Although we have made such inquiries and performed such investigations as we have deemed necessary to fulfill our professional responsibilities as counsel, we have not undertaken an independent investigation of all of the facts referred to in this letter or the Certificate of Representations.

The opinions set forth in this letter are: (i) limited to those matters expressly covered and no opinion is expressed in respect of any other matter; (ii) as of the date hereof; and (iii) rendered by us at the request of the Company. We hereby consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement and to the references therein to us. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Clifford Chance US LLP

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (“Agreement”) is made and entered into as of the [] day of [], by and between ZAIS Financial Corp., a Maryland corporation (the “Company”), and [] (“Indemnitee”).

WHEREAS, at the request of the Company, Indemnitee currently serves as a director and/or officer of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of his service; and

WHEREAS, as an inducement to Indemnitee to continue to serve as such director and/or officer, the Company has agreed to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law; and

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses; and

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

(a) “Change in Control” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if, after the Effective Date (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of all of the Company’s then-outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person’s attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board of Directors then in office, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) at any time, a majority of the members of the Board of Directors are not individuals (A) who were directors as of the Effective Date or (B) whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by the affirmative vote of at least two-thirds of the directors then in office who were directors as of the Effective Date or whose election or nomination for election was previously so approved.

(b) “Corporate Status” means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (i) of which a majority of the voting power or equity interest is owned directly or indirectly by the Company or (ii) the management of which is controlled directly or indirectly by the Company.

(c) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advance of Expenses is sought by Indemnitee.

(d) “Effective Date” means the date set forth in the first paragraph of this Agreement.

(e) “Expenses” means any and all reasonable and out-of-pocket attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties and any other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding. Expenses shall also include Expenses incurred in connection with any appeal resulting from any Proceeding including, without limitation, the premium, security for and other costs relating to any cost bond, supersedes bond or other appeal bond or its equivalent.

(f) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advance of Expenses hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(g) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, except one pending or

completed on or before the Effective Date, unless otherwise specifically agreed in writing by the Company and Indemnitee. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding.

Section 2. Services by Indemnitee. Indemnitee will serve as a director and/or officer of the Company. However, this Agreement shall not impose any independent obligation on Indemnitee or the Company to continue Indemnitee's service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. General. The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by the laws of the State of Maryland in effect on the Effective Date and as amended from time to time; provided, however, that no change in the laws of the State of Maryland shall have the effect of reducing the benefits available to Indemnitee hereunder based on the laws of the State of Maryland as in effect on the Effective Date. The rights of Indemnitee provided in this Section 3 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by Section 2-418(g) of the Maryland General Corporation Law (the "MGCL").

Section 4. Standard for Indemnification. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, Indemnitee shall be indemnified against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by him or on his behalf in connection with any such Proceeding unless it is established that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that his conduct was unlawful.

Section 5. Certain Limits on Indemnification. Notwithstanding any other provision of this Agreement (other than Section 6), Indemnitee shall not be entitled to:

- (a) indemnification hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is adjudged to be liable to the Company;
- (b) indemnification hereunder if Indemnitee is adjudged to be liable on the basis that personal benefit was improperly received in any Proceeding charging improper personal benefit to Indemnitee, whether or not involving action in the Indemnitee's Corporate Status; or
- (c) indemnification or advance of Expenses hereunder if the Proceeding was brought by Indemnitee unless: (i) the Proceeding was brought to enforce indemnification under this Agreement, and then only to the extent in accordance with and as authorized by Section 12 of this Agreement, or (ii) the Company's charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement

approved by the Board of Directors to which the Company is a party expressly provide otherwise.

Section 6. Court-Ordered Indemnification. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification in the following circumstances:

(a) if it determines Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or

(b) if it determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper. However, indemnification with respect to any Proceeding by or in the right of the Company or in which liability shall have been adjudged in the circumstances described in Section 2-418(c) of the MGCL shall be limited to Expenses.

Section 7. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee was or is, by reason of his Corporate Status, made a party to (or otherwise becomes a participant in) any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, Indemnitee shall be indemnified for all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 7 for all Expenses actually and reasonably incurred by him or on his behalf in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 7 and, without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 8. Advance of Expenses for a Party. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnitee's ultimate entitlement to indemnification hereunder, advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding within ten days after the receipt by the Company of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written affirmation by Indemnitee of Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Company as authorized by law and by this Agreement has been met and a written undertaking by or on behalf of Indemnitee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof, to reimburse the portion of any

Expenses advanced to Indemnitee relating to claims, issues or matters in the Proceeding as to which it shall ultimately be established that the standard of conduct has not been met by Indemnitee and which have not been successfully resolved as described in Section 7 of this Agreement. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 8 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 9. Indemnification and Advance of Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is or may be, by reason of his Corporate Status, made a witness or otherwise asked to participate in any Proceeding, whether instituted by the Company or any other party, and to which Indemnitee is not a party, he shall be advanced all reasonable Expenses and indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee.

Section 10. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Indemnitee may submit one or more such requests from time to time and at such time(s) as Indemnitee deems appropriate in his sole discretion. The officer of the Company receiving any such request from Indemnitee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a) above, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, which Independent Counsel shall be selected by the Indemnitee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval will not be unreasonably withheld; or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors or, if such a quorum cannot be obtained, then by a majority vote of a duly authorized committee of the Board of Directors consisting solely of one or more Disinterested Directors, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by the Indemnitee, which approval shall not be unreasonably withheld, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be

made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 10(b). Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company shall indemnify and hold Indemnitee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, upon a plea of *nolo contendere* or its equivalent, or entry of an order of probation prior to judgment, does not create a presumption that Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall not be imputed to Indemnitee for purposes of determining any other right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) If (i) a determination is made pursuant to Section 10(b) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 7 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the charter or Bylaws of the Company is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication in an appropriate court located in the State of

Maryland, or in any other court of competent jurisdiction, of his entitlement to such indemnification or advance of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12 (a); provided, however, that the foregoing clause shall not apply to a proceeding brought by Indemnitee to enforce his rights under Section 7 of this Agreement. Except as set forth herein, the provisions of the laws of the State of Maryland (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 12, Indemnitee shall be presumed to be entitled to indemnification or advance of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advance of Expenses, as the case may be. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 12, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 8 of this Agreement until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 10(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification.

(d) In the event that Indemnitee, pursuant to this Section 12, seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company for, any and all Expenses actually and reasonably incurred by him in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advance of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

(e) Interest shall be paid by the Company to Indemnitee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period commencing with the date on which the Company was requested to advance expenses in accordance with Section 8 of this Agreement or to make the determination of entitlement to

indemnification under Section 12(a) above. Indemnatee requests indemnification, reimbursement or advance of any Expenses and ending on the date such payment is made to Indemnatee by the Company.

Section 13. Defense of the Underlying Proceeding.

(a) Indemnatee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnatee from the right, or otherwise affect in any manner any right of Indemnatee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 13(b) and of Section 13(c) below, the Company shall have the right to defend Indemnatee in any Proceeding which may give rise to indemnification hereunder; provided, however, that the Company shall notify Indemnatee of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 13 (a) above. The Company shall not, without the prior written consent of Indemnatee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnatee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnatee, (ii) does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnatee or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnatee. This Section 13(b) shall not apply to a Proceeding brought by Indemnatee under Section 12 of this Agreement.

(c) Notwithstanding the provisions of Section 13(b) above, if in a Proceeding to which Indemnatee is a party by reason of Indemnatee's Corporate Status, (i) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that he may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnatee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnatee shall be entitled to be represented by separate legal counsel of Indemnatee's choice, subject to the prior approval of the Company, which shall not be unreasonably withheld, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnatee the benefits intended to be provided to Indemnatee hereunder, Indemnatee shall have the right to retain counsel of Indemnatee's choice,

subject to the prior approval of the Company, which shall not be unreasonably withheld, at the expense of the Company (subject to Section 12 (d) of this Agreement), to represent Indemnatee in connection with any such matter.

Section 14. Non-Exclusivity; Survival of Rights; Subrogation.

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnatee may at any time be entitled under applicable law, the charter or Bylaws of the Company, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnatee, no amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnatee under this Agreement in respect of any action taken or omitted by such Indemnatee in his Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 15. Insurance. The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnatee or any claim made against Indemnatee by reason of his Corporate Status and covering the Company for any indemnification or advance of Expenses made by the Company to Indemnatee for any claims made against Indemnatee by reason of his Corporate Status. Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnatee for any payment by Indemnatee arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnatee in connection with a Proceeding over the coverage of any insurance referred to in the previous sentence. The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnatee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and

the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

Section 16. Coordination of Payments. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 17. Reports to Stockholders. To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advance of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advance of Expenses or prior to such meeting.

Section 18. Duration of Agreement; Binding Effect.

(a) This Agreement shall continue until and terminate on the later of (i) ten years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding due to the lapse of all applicable statutes of limitations or otherwise (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement).

(b) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company, and shall inure to the benefit of Indemnitee and his spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(c) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(d) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or

specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 20. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 21. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 22. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 23. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

- (a) If to Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

General Counsel
Two Bridge Avenue, Suite 322
Red Bank, New Jersey 07701-1106
Facsimile: (732) 978-7507

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 24. Governing Law. The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

Section 25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

[SIGNATURE PAGE FOLLOWS]

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

ZAIS FINANCIAL CORP.

By: _____
Name:
Title:

INDEMNITEE

Name:
Address: _____

ZAIS GROUP/ZAIS FINANCIAL TRADEMARK LICENSE AGREEMENT

This **ZAIS GROUP/ZAIS FINANCIAL TRADEMARK LICENSE AGREEMENT** (“Agreement”), is entered into as of the day of _____, 2013 (“Effective Date”), by and between the Parties,

ZAIS Group, LLC, a Delaware limited liability company, having a principal place of business at Two Bridge Avenue, Suite 322, Red Bank, New Jersey 07701-1106 (“ZAIS Group”), and

ZAIS Financial Corp., a Maryland corporation with offices at Two Bridge Avenue, Suite 322, Red Bank, New Jersey 07701-1106 (“ZFC”),

and the Parties agree as follows:

**ARTICLE 1
BACKGROUND AND DEFINITIONS**

1.1 ZAIS Group has adopted, is using, and is the owner of the Licensed Mark (as defined in Article 1.6) in the United States for financial services.

1.2 ZFC is a Real Estate Investment Trust managed by a subsidiary of ZAIS Group .

1.3 ZFC desires to use the Licensed Mark as part of the trade name ZAIS Financial Corp. and in connection with the Licensed Services (as defined in Article 1.8).

1.4 ZAIS Group desires to license the Licensed Mark on a limited purpose, fully revocable basis to ZFC to be used as part of the trade name ZAIS Financial Corp. and in connection with the Licensed Services subject to the terms and conditions set forth in this Agreement.

1.5 “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.6 “Licensed Mark” means the mark ZAIS.

1.7 “Licensed Trade Name” means the corporate name ZAIS Financial Corp. and any variation thereof including the term ZAIS that is used by Licensed Users, including in relation to the website addresses zaisfinancial.com and zaisfinancialcorp.com.

1.8 “Licensed Services” means real estate finance products and services offered in the United States by Licensed Users.

1.9 “Licensed User” and “Licensed Users” means ZFC and ZFC’s Subsidiaries.

1.10 “Subsidiary” means any corporation, company or other legal entity:

1.10.1 more than fifty percent (50%) of whose shares or outstanding securities (representing the right to vote for the election of directors or other managing authority) are, now or hereafter, Controlled, directly or indirectly by a party hereto, but such entity shall be deemed to be a Subsidiary for the purposes of this Agreement only so long as such Control exists; or

1.10.2 which does not have outstanding shares or securities, as may be the case in a partnership, joint venture, or unincorporated association, but more than fifty percent (50%) of whose ownership interest representing the right to make decisions for such entity is now or hereafter, Controlled, directly or indirectly by a party hereto, but such entity shall be deemed to be a Subsidiary for the purposes of this Agreement only so long as such Control exists.

ARTICLE 2

LICENSE GRANT AND CONDITIONS OF LICENSED USE

2.1 ZAIS Group hereby grants Licensed Users a nonexclusive, nontransferable, nonsublicensable, fully revocable, royalty-free limited purpose license to use and display the Licensed Trade Name and the Licensed Mark in the United States solely in connection with the Licensed Services.

2.2 All use of the Licensed Mark by Licensed Users, and all goodwill associated with such use, shall inure to the benefit of ZAIS Group.

2.3 Licensed Users shall use the Licensed Mark in a form which is in accordance with sound trademark practice so as not to weaken the value of the Licensed Mark. Licensed Users shall use the Licensed Mark in a manner that does not derogate, based on an objective business standard, ZAIS Group's rights in the Licensed Mark or the value of the Licensed Mark, and shall take no action that would, based on an objective standard, interfere with, diminish or tarnish those rights or value.

2.4 The Licensed Mark shall remain the exclusive property of ZAIS Group and nothing in this Agreement shall give Licensed Users any right or interest in the Licensed Mark except the licenses expressly granted in this Agreement.

2.5 All of ZAIS Group's rights in and to the Licensed Mark, including, but not limited to, the right to use and to grant others the right to use the Licensed Mark, are reserved by ZAIS Group.

2.6 No license, right, or immunity is granted by either party to the other, either expressly or by implication, or by estoppel, or otherwise with respect to any trademarks, copyrights, or trade dress, or other property right, other than with respect to the Licensed Trade Name and the Licensed Mark in accordance with Article 2.1 of this Agreement.

2.7 Licensed Users acknowledge that ZAIS Group is the sole owner of all right, title and interest in and to the Licensed Mark, and that Licensed Users have not acquired, and shall not acquire, any right, title or interest in or to the Licensed Mark except the right to use the Licensed Mark in accordance with the terms of this Agreement.

2.8 Licensed Users shall not register the Licensed Mark in any jurisdiction without ZAIS Group's express prior written consent, and ZAIS Group shall retain the exclusive right to apply for and obtain registrations for the Licensed Mark throughout the world.

2.9 Licensed Users shall not challenge the validity of the Licensed Mark, nor shall Licensed Users challenge ZAIS Group's ownership of the Licensed Mark or the enforceability of ZAIS Group's rights therein.

2.10 Licensed Users shall designate the first or a prominent use of the Licensed Mark in all promotional materials, documents, brochures, and/or manuals with the symbol "SM".

2.11 Licensed Users agree to cooperate with ZAIS Group's preparation and filing of any applications, renewals or other documentation necessary or useful to protect and/or enforce ZAIS Group's intellectual property rights in the Licensed Mark.

2.11.1 Licensed Users shall notify ZAIS Group promptly of any actual or threatened infringements, imitations or unauthorized uses of the Licensed Mark of which Licensed Users become aware.

2.11.2 ZAIS Group shall have the sole right, though it is under no obligation, to bring any action for any past, present and future infringements of its intellectual property rights in the Licensed Mark.

2.11.3 Licensed Users shall cooperate with ZAIS Group, at ZAIS Group's expense for any out-of-pocket costs incurred by Licensed Users, in any efforts by ZAIS Group to enforce its rights in the Licensed Mark or to prosecute third party infringers of the Licensed Mark.

2.11.4 ZAIS Group shall be entitled to retain any and all damages and other monies awarded or otherwise paid in connection with any such action.

2.12 **Quality Control.** In order to promote the goodwill symbolized by the Licensed Mark, Licensed Users will insure that the Licensed Services shall be of the same high quality as the services marketed or otherwise provided by ZAIS Group.

2.12.1 Licensed Users shall use the Licensed Mark only in connection with services that meet or exceed generally accepted industry standards of quality and performance.

2.12.2 ZAIS Group shall have the right to monitor the quality of the services provided and promotional materials used by Licensed Users, and Licensed Users shall use reasonable efforts to assist ZAIS Group in monitoring the quality of the services provided and promotional materials used by Licensed Users.

2.12.3 From time to time and upon ZAIS Group's request, Licensed Users shall submit to ZAIS Group samples of all materials bearing the Licensed Mark, including, without limitation, any advertising, packaging and other publicly disseminated materials.

2.12.4 If ZAIS Group discovers any improper use of the Licensed Mark on any such submission and delivers a writing describing in detail the improper use to ZFC, Licensed Users shall remedy the improper use immediately.

ARTICLE 3 TERM AND TERMINATION

3.1 Either party may terminate this Agreement by giving the other party thirty (30) days' prior written notice.

3.2 This Agreement and all rights and licenses granted under this Agreement shall terminate as soon as practicable, but no longer than thirty (30) days, after:

3.2.1 A third party acquires Control of ZFC; or

3.2.2 ZAIS Group or any Subsidiary of ZAIS Group ceases to manage ZFC.

3.3 In the event that ZFC loses Control of a Subsidiary, all rights and licenses granted to the former Subsidiary under this Agreement shall immediately terminate.

3.4 Upon termination of this agreement, Licensed Users shall immediately cease use of the Licensed Trade Name and Licensed Mark as soon as practicable, but no longer than thirty (30) days, after termination.

ARTICLE 4 GENERAL PROVISIONS

4.1 **Indemnification** . Licensed Users, at Licensed Users' own expense, shall indemnify, hold harmless and defend ZAIS Group, its affiliates, successors and assigns, and its and their directors, officers, employees and agents, against any claim, demand, cause of action, debt, expense or liability (including attorneys' fees and costs), to the extent that the foregoing (a) is based on a claim resulting solely from any service provided or offered by Licensed Users, (b) results from a material breach, or is based on a claim that, if true, would be a material breach, of this Agreement by Licensed Users, or (c) is based upon Licensed Users' unauthorized or improper use of the Licensed Mark.

4.2 **LIMITATION OF WARRANTY AND LIABILITY** . ZAIS GROUP DOES NOT MAKE WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, RELATED TO OR ARISING OUT OF THE LICENSED MARK OR THIS AGREEMENT.

4.2.1 ZAIS GROUP SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND/OR TITLE, AND ALL OTHER WARRANTIES THAT MAY OTHERWISE ARISE FROM COURSE OF DEALING, USAGE OF TRADE OR CUSTOM.

4.2.2 IN NO EVENT SHALL ZAIS GROUP OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, LICENSORS, SUPPLIERS OR OTHER REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF GOODWILL, COMPUTER FAILURE OR MALFUNCTION OR OTHERWISE, ARISING FROM OR RELATING TO THIS AGREEMENT OR THE LICENSED MARK, EVEN IF ZAIS GROUP IS EXPRESSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY AND EXCLUSION OF CERTAIN DAMAGES SHALL APPLY REGARDLESS OF THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDIES AVAILABLE TO EITHER PARTY.

4.3 **Non-Transferable Agreement** . Licensed Users may not assign this Agreement and/or any rights and/or obligations hereunder without the prior written consent of ZAIS Group and any such attempted assignment shall be void.

4.4 **Remedies** . Licensed Users acknowledge that a material breach of Licensed Users' obligations under this Agreement would cause ZAIS Group irreparable damage. Accordingly, Licensed Users agree that in the event of such breach or threatened breach, in addition to remedies at law, ZAIS Group shall have the right to enjoin Licensed Users from the unlawful and/or unauthorized use of the Licensed Trade Name and/or the Licensed Mark and other equitable relief to protect ZAIS Group's rights in the Licensed Mark.

4.5 **Integration**. This Agreement contains the entire agreement of the parties. No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the Parties hereto. All prior agreements and understandings related to the subject matter hereof, whether written or oral, are expressly superseded hereby and are of no further force or effect.

4.6 **Binding Agreement**. This Agreement shall be binding upon the Parties' permitted assigns and successors and references to each party shall include such assigns and successors.

4.7 **Amendment** . This Agreement cannot be altered, amended or modified in any respect, except by a writing duly signed by both Parties.

4.8 **No Strict Construction** . The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Headings are for reference and shall not affect the meaning of any of the provisions of this Agreement.

4.9 **Waiver** . At no time shall any failure or delay by either party in enforcing any provisions, exercising any option, or requiring performance of any provisions, be construed to be a waiver of same.

4.10 **Governing Law and Jurisdiction** . The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of New York (excluding any conflict of law rule or principle that would refer to the laws of another jurisdiction). Each party hereto irrevocably submits to the jurisdiction of the state and federal courts located in New York, in any action or proceeding arising out of or relating to this Agreement, and each party hereby irrevocably agrees that all claims in respect of any such action or proceeding must be brought and/or defended in any such court; provided, however, that matters which are under the exclusive jurisdiction of the federal courts shall be brought in the Federal District Court for the District of New York. Each party hereto consents to service of process by any means authorized by the applicable law of the forum in any action brought under or arising out of this Agreement, and each party irrevocably waives, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

4.11 **Attorney's Fees** . In the event any suit or other legal proceeding is brought for the enforcement of any of the provisions of this Agreement, the Parties hereto agree that the prevailing party shall be entitled to recover from the other party upon final judgment on the merits reasonable attorneys' fees (and sales taxes thereon, if any), including attorneys' fees for any appeal, and costs incurred in bringing such suit or proceeding.

4.12 **Relationship of the Parties** . Nothing in this Agreement will be construed as creating a joint venture, partnership, or employment relationship between ZAIS Group and ZFC or any of ZFC's

Subsidiaries. Neither party will have the right, power or implied authority to create any obligation or duty on behalf of the other party.

4.13 **Notices** . Unless otherwise specified in this Agreement, all notices shall be in writing and delivered personally, mailed, first class mail, postage prepaid, or delivered by confirmed electronic or digital means, to the addresses set forth at the beginning of this Agreement and to the attention of the undersigned. Either party may change the addresses or addressees for notice by giving notice to the other. All notices shall be deemed given on the date personally delivered, when placed in the mail as specified or when electronic or digital confirmation is received.

4.14 **Counterparts** . This Agreement may be executed in counterparts, by manual or facsimile signature, each of which will be deemed an original and all of which together will constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

ZAIS FINANCIAL CORP.

By: _____
Name:
Title:

ZAIS GROUP, LLC

By: _____
Name: Michael Szymanski
Title: President

[Signature Page to License Agreement]

Subsidiaries of the Registrant

Subsidiary	Jurisdiction of Formation
ZAIS Financial Partners, L.P.	Delaware
ZAIS Financial, LLC	Delaware
ZAIS Asset I, LLC	Delaware
ZAIS Asset II, LLC	Delaware
ZAIS Asset III, LLC	Delaware
ZAIS Asset IV, LLC	Delaware
ZAIS I TRS, Inc.	Delaware
ZFC Trust	Maryland