

CAPLEASE, INC.

CORPORATE GOVERNANCE GUIDELINES

Amended as of September 16, 2009

The following shall constitute the Corporate Governance Guidelines (the “Corporate Governance Guidelines”) of the board of directors of CapLease, Inc., a corporation incorporated under the laws of the State of Maryland (the “Corporation”):

I. DIRECTOR QUALIFICATIONS

The board of directors of the Corporation (the “Board”) will satisfy the independence requirement of the New York Stock Exchange as then in effect. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of any new Board members as well as the composition of the Board as a whole. This assessment will include members’ qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the Board’s needs. Nominees for directorship will be selected by the Nominating and Corporate Governance Committee and recommended to the Board in accordance with the policies and principles in its charter. Following the recommendation of the Nominating and Corporate Governance Committee, the Board will review all relevant information and make an affirmative determination as to the independence of each nominee. The Board has established categorical standards to assist it in making such determinations. Such standards are set forth in Annex A hereto.

The Board presently has six members. It is the sense of the Board that this size is appropriate. The Board would be willing to expand to a somewhat larger size, however, to accommodate the availability of an outstanding candidate.

It is not the sense of the Board that in every instance a director who retires or changes from the position he or she held when joining the Board should necessarily leave the Board. Promptly following such event, the director must notify the Nominating and Corporate Governance Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Nominating and Corporate Governance Committee’s recommendation following such review.

The Board does not believe that its members should be prohibited from serving on boards or committees of other organizations. However, each director is expected to advise the CEO in advance of accepting an invitation to serve on another public company board or becoming a member of the audit committee of any other public company. The CEO promptly shall consult with the Board to confirm that such director’s acceptance would not result in a conflict of interest or otherwise interfere with the discharge of the director’s duties to the Corporation. The CEO shall promptly notify the director if the Board determines that acceptance of such invitation would interfere with the director’s duties to the Corporation.

It is the general policy of the Corporation that a director may not stand for re-election if he or she has attained the age of 75 unless the Board has voted, on an annual basis, to waive the mandatory retirement age.

The Board does not believe it should establish term limits. The Board believes that consistent quality in the directors of the Company can be achieved effectively without term limits. The strengths and weaknesses of the Board as a whole and each director individually should be reviewed regularly through the Nominating and Corporate Governance Committee's process of recommending new directors for appointment to the Board and incumbent directors for reelection.

II. DIRECTOR RESPONSIBILITIES

The director's basic responsibility is to exercise his or her good faith business judgment of the best interests of the Corporation. In discharging that obligation, each director should be entitled to rely on the honesty and integrity of the Corporation's senior executives and its outside advisors and auditors absent evidence that makes such reliance unwarranted. The directors shall also be entitled (1) to have the Corporation purchase reasonable levels of directors' and officers' liability insurance on their behalf; (2) to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, bylaws and any indemnification agreements; and (3) to exculpation as provided by state law and the Corporation's charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve, to spend the time needed and meet as frequently as necessary to discharge properly their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting. Directors should review these materials in advance of the meeting. It is also the policy of the Board that the Board members attend annual stockholder meetings, with the understanding that on occasion a director may be unable to attend.

The Board selects the director (or directors) to serve as Chairman of the Board. The Board does not have a policy as to whether the Chairman should be a non-management director or a member of management. Instead, the Board selects its Chairman in the manner it determines to be in the best interest of the Company's stockholders. When the Chairman is a member of Company management, the Board also selects an independent director to act as the Lead Independent Director of the Board. The Lead Independent Director acts as a liaison between the independent directors and management. The Lead Independent Director presides at all meetings of the Board at which the Chairman is not present and has the authority to call meetings of the independent directors. The independent directors will meet in executive session at each regular Board meeting without any members of management being present. The Lead Independent Director will preside over the executive sessions.

The Chairman, in consultation with the other Board members and management, will establish the agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are

not on the agenda for that meeting. Management will present its strategic plan to the Board at least once per year.

The Board believes that management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. It is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

III. BOARD COMMITTEES

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The members of these committees will comply with any requirements of the New York Stock Exchange as then in effect. Committee members will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee with consideration of the desires of individual directors. Each of these committees will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as any qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman of each of these committees, in consultation with the committee members, will determine the frequency and length of the committee meetings. The Chairman of each committee, in consultation with the other members of the committee and management, will develop the committee's agenda.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate, including an investment oversight committee.

IV. DIRECTOR ACCESS TO OFFICERS AND EMPLOYEES

Directors have full and free access to officers and employees of the Corporation and, as necessary and appropriate, to the Corporation's independent advisors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation.

The Board welcomes regular attendance at each Board meeting of the Corporation's senior officers. If the CEO wishes to have additional Corporation personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

V. DIRECTOR COMPENSATION

The form and amount of director compensation will be determined by the Board based on a recommendation of the Compensation Committee in accordance with the policies and principles set forth in its charter. The Compensation Committee will periodically conduct a review of director compensation. The Compensation Committee will consider that directors' independence

may be jeopardized if director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations with which a director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

VI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

In order to familiarize new directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues and other matters, the Corporation provides directors with orientation and continuing education through presentations by or meetings with senior management. Directors may also take advantage of continuing education opportunities that will enhance their ability to fulfill their responsibilities.

VII. CONTACT OUR DIRECTORS

If you would like to contact our Board of Directors, you can write to them at the following address:

CapLease, Inc.
1065 Avenue of the Americas
New York, NY 10018
Attention: Board of Directors

If you would like to contact our independent directors specifically, you can write to them at the following address:

CapLease, Inc.
1065 Avenue of the Americas
New York, NY 10018
Attention: Lead Independent Director

VIII. CEO EVALUATION AND SUCCESSION

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board discusses with the Compensation Committee the Committee's review in order to ensure that the CEO is providing the best leadership for the Corporation in the long- and short-term.

The Board will approve and maintain a CEO succession plan based upon recommendations from the Nominating and Corporate Governance Committee.

IX. ANNUAL PERFORMANCE EVALUATION

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year.

X. CERTIFICATION

These Corporate Governance Guidelines were duly approved and adopted by the Board of the Corporation on the 16th day of September, 2009.

/s/ Paul C. Hughes
Corporate Secretary

Categorical Standards of Director Independence

A director is considered independent if the Board makes an affirmative determination that the Director has no material relationship with the Corporation after broadly considering all relevant facts and circumstances. The Board has established the categorical standards set forth below to assist it in making such determinations. A director will not be considered independent if the director:

A director is considered independent if the Board makes an affirmative determination that the Director has no material relationship with the Corporation after broadly considering all relevant facts and circumstances. The Board has established the categorical standards set forth below to assist it in making such determinations. A director will not be considered independent if the director:

- is, or who has been within the last three years, an employee of the Corporation or any of its subsidiaries, or whose immediate family member is, or has been within the last three years, an executive officer, of the Corporation or any of its subsidiaries;
- has received or who has an immediate family member, serving as an executive officer, who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Corporation or any of its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (A) is or whose immediate family member is a current partner of a firm that is the Corporation's internal or external auditor; (B) is a current employee of such a firm; (C) has an immediate family member who is a current employee of such a firm and who personally works on the Company's audit; or (D) was or whose immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Corporation's audit within that time;
- is or has been within the last three years, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Corporation's present executives at the same time serves or served on that company's compensation committee;
- is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Corporation or any of its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues (as reported for the last completed fiscal year);
- is, or within the last three years has been, an executive officer of a charitable organization that receives contributions from the Corporation or any of its subsidiaries in an amount which, in

any single fiscal year, exceeds the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues.