

REALTY FINANCE CORPORATION

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

Purpose

The Board of Directors (the “Board”) of Realty Finance Corporation (the “Company”) has established an audit committee of certain independent directors (the “Committee”) and has adopted and approved this charter for the Committee. The Committee’s primary functions are to:

1. Assist Board oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications and independence of the registered public accounting firm employed by the Company for the audit of the Company’s financial statements (the “Independent Auditor”), (iv) the performance of the people responsible for the Company’s internal audit function, and (v) the performance of the Company’s Independent Auditors, including any third party employed by the Company for the purpose of performing all or any portion of the Company’s internal audit function (the “Internal Auditor”),
2. If the Company is required to deliver an annual proxy statement to its stockholders, prepare the report that rules of the Securities and Exchange Commission (the “SEC”) require be included in the Company’s annual proxy statement and any other Committee reports required by applicable securities laws or stock exchange listing requirements or rules, and
3. Provide an open avenue of communication among the Company’s Independent Auditors, its Internal Auditors, its management and its Board.

Organization

1. The Committee will be composed of at least three directors, each of whom is financially literate (i.e., able to read and understand financial statements and aware of the functions of auditors for a company) or, in the judgement of the Board, able to become financially literate within a reasonable period of time after his or her appointment to the Committee. Each member of the Committee will be a member of the Board in good standing and, in the business judgment of the Board, “independent” under the independence requirements set forth, from time to time, in the listing standards of the New York Stock Exchange (“NYSE”) and any other applicable laws, rules or regulations, including, without limitation, any rules promulgated by the SEC. The members of the Committee shall be appointed annually by the Board.
2. At least one member of the Committee will be a person who has the following attributes:
 - (a) an understanding of accounting principles generally accepted in the United States (“GAAP”) and financial statements;
 - (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
 - (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally

comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Company's financial statements, or experience supervising one or more persons engaged in such activities;

- (d) an understanding of internal accounting controls; and
 - (e) an understanding of audit committee functions.
3. No director who serves on the audit committee of more than two other public companies may be a member of the Committee unless the Board determines such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and discloses such determination in the Company's annual proxy statement, or if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the SEC or other similar report provided to stockholders.
 4. The members of the Committee will be appointed, removed and replaced by, and in the sole discretion of, the Board.
 5. The Board will designate a member of the Committee to be the chairman of the Committee.
 6. The Committee will create its own rules of procedure, including rules regarding notice of meetings, quorum and voting. Such rules will be consistent with the Articles of Incorporation, as amended (the "Charter") and Bylaws (the "Bylaws") of the Company and with this charter.
 7. The Committee may create subcommittees to perform particular functions, either generally or in specific instances.
 8. Minutes will be kept with regard to each meeting of the Committee, which will record all actions taken by the Committee. The minutes will be maintained with the books and records of the Company. Copies of the minutes of each meeting of the Committee will be sent promptly after the meeting to all members of the Board.
 9. The Committee will report to the Board at all regular meetings of the Board or at such other times as the Committee deems necessary or appropriate.
 10. The Committee shall meet in person or telephonically at least four times a year at a time and place determined by the Committee chairman, with further meetings to occur when deemed necessary or desirable by the Committee or its chairman.
 11. The Committee may request members of management or others to attend meetings and provide pertinent information as necessary.

Powers

The Committee will have the authority to engage independent counsel, accounting and other advisors, as it determines necessary to carry out its duties. The Company will provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of (a) compensation to the Independent Auditor employed by the Company to audit the financial statements of the Company, (b) compensation to any advisors employed by the

Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate for the Committee to carry out its duties.

The Committee may require any officer or employee of the Company or the Company's outside counsel or Independent Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Responsibilities

The Committee will from time to time adopt any policies or procedures it deems necessary to ensure that the accounting and reporting practices of the Company are of the highest quality.

While the Committee has the powers and responsibilities set forth in this charter, it is not the duty or responsibility of the Committee to (i) plan or conduct audits, (ii) determine that the Company's financial statements and disclosures are complete and accurate or are in accordance with GAAP or applicable rules and regulations, or (iii) monitor and control risk assessment and management. These are the responsibilities of the Company's management and the Independent Auditor.

The Committee's functions are the sole responsibility of the Committee and may not be allocated to a different committee.

To fulfill its responsibilities, the Committee will:

Independent Auditors

1. Be directly responsible for the appointment (subject to stockholder approval, if required by the Board), termination, compensation, retention and oversight, of any registered public accounting firm employed by the Company (including resolution of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, attest services or related work. Each such public accounting firm will report directly to the Committee.
2. Have the sole authority to approve all audit engagement fees and terms, as well as all non-audit engagements of the Independent Auditors.
3. Preapprove the fees and terms of all auditing services (including providing comfort letters in connection with securities offerings) and permitted non-audit services (including tax services) to be provided to the Company or its subsidiaries by the Company's Independent Auditors, except for non-audit services covered by the De Minimis Exception in Section 10A of the Securities Exchange Act of 1934, as amended. The Committee may delegate to one or more of its members who is an independent director the authority to grant preapprovals.
4. In order to evaluate the Independent Auditors' qualifications, performance and independence, at least annually obtain and review a report by the Independent Auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by government or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and all relationships between the Independent

Auditors and the Company in order to assess the Independent Auditor's independence. This evaluation should include review of the partner of the Independent Auditor who has principal responsibility for its audits of the Company's financial statements and should take into account the opinions of management and the Internal Auditors (or the Company's personnel responsible for the internal audit function). In addition, the report will include a written statement of the fees billed for each of the following categories of services rendered by the Independent Auditor: (a) the audit of the Company's annual financial statements for the most recent fiscal year and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for that fiscal year; (b) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems, design and implementation); and (c) all other services rendered by the Independent Auditor for the most recent fiscal year, in the aggregate and by each service.

5. Ensure that the lead partner of the Independent Auditor does not serve in that capacity for more than five years. Consider whether the Independent Auditor itself should be changed periodically.
6. Ensure the Company's compliance with all applicable legal requirements regarding auditor independence, including the periodic rotation of the lead partner and other senior members of the Independent Auditor.
7. Present to the Board its conclusions regarding the Independent Auditors' qualifications, performance and independence as a result of the evaluation described in the preceding three paragraphs.
8. Meet regularly with the Company's Independent Auditors so that they can report on (a) all critical accounting policies and practices the Company uses or expects to use; and (b) all alternative treatments of material financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditors.
9. Obtain and review, at least annually: a report from the Independent Auditors of any audit problems or difficulties and management's response, including any restrictions on the scope of the Independent Auditors' activities or access to information and any disagreements with management, and, if applicable, also including any accounting adjustments that were noted or proposed by the Independent Auditors but were "passed" (including similar adjustments that were passed because individually they were not material); any communications between the audit team and the Independent Auditors' national office with respect to auditing or accounting issues presented by the engagement; any "management" or "internal control" letter issued, or proposed to be issued, by the Independent Auditors to the Company; and all other material written communications between the Independent Auditors and the management of the Company. The review should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.
10. Instruct the Independent Auditors that the Board and the Committee are the accountants' client.

11. Meet separately, periodically, with management, with the Internal Auditors, and with the Independent auditors and take such parties' opinions into consideration.
12. Report regularly to the Board as to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's independent auditors and the Company's internal audit function.
13. Set clear hiring policies for employees or former employees of the Independent Auditors.
14. Review all reports required to be submitted by the Independent Auditor to the Committee under Section 10A of the Securities Exchange Act of 1934, as amended.

Internal Audit

1. Review the responsibilities, budget and staffing of the Company's internal audit function, as applicable.
2. Review any significant changes in the planned scope of the internal audit function, as applicable.

Accounting and Reporting Process

1. Review any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and the development, selection and disclosure of critical accounting estimates.
2. Review major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
3. Review analyses prepared by management and/or the Independent Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements, the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company.
4. Review the audited financial statements and discuss them with management and the Independent Auditor. Based on that review, and the reviews performed by the Committee as described in paragraphs 1 through 3 under this Accounting and Reporting Process, make a recommendation to the Board that the Company's audited financial statements be made publicly available, including the Company's annual report on Form 10-K, if such report is required to be filed with the SEC.
5. Obtain reports from management, parties responsible for the Company's internal audit function and the Independent Auditors, as necessary, regarding the compliance, or failure to comply, of the Company with applicable legal requirements and the Company's Code of Business Conduct and Ethics, including disclosures of insider and affiliated party transactions.

6. Review with management and the Independent Auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
7. The Committee will discuss with the Independent Auditors the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as then in effect.

Other

1. Discuss the annual audited financial statements and quarterly financial statements with management and the Independent Auditor, including the results of the Independent Auditor's reviews of the quarterly financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to making such financial statements publicly available, including, if required through the filings of Forms 10-K and Forms 10-Q by the Company.
2. Review the disclosures, if any, of the chief executive officer and chief financial officer, prior to their certification of each annual or quarterly report filed by the Company with the SEC, of (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and identify any material weakness in internal controls, and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
3. Discuss the Company's earnings press releases, if any, (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP information and non-GAAP Financial Measures, as such term is defined under the rules of the Securities Act of 1934, as amended) and the rules and regulations promulgated thereunder, as well as financial information and earnings guidance provided to analysts and rating agencies.
4. Discuss and review policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which risk assessment and risk management is undertaken.
5. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
6. Conduct an annual evaluation of its own performance.
7. Conduct an annual review of this charter and recommend to the Board any changes the Committee deems appropriate.
8. Annually review the Company's compliance program for its Code of Ethics and the results of the internal audit's review of the expense accounts of the Company's elected officers.

9. Review with internal and external counsel, where appropriate, any legal matters that could have a significant impact on the Company's financial statements.
10. Review accounting and financial human resources and succession planning within the Company.
11. Submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants at the expense of the Company without seeking approval of the Board. The Committee shall have the sole authority to select and retain a consultant or search firm, to terminate any consultant or search firm retained by it, and to approve the consultant or search firm's fees and other retention terms. The Committee has the power in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.