

REALTY FINANCE CORPORATION

Amended and Restated Director Independence Standards

Our Corporate Governance Guidelines provide that a majority of the members of our Board of Directors meet the independence requirements set forth, from time to time, in the listing standards of the New York Stock Exchange and any other applicable laws, rules or regulations, including, without limitation, any rules promulgated by the Securities and Exchange Commission. For a director to be deemed “independent,” the Board of Directors shall affirmatively determine that the director has no material relationship with Realty Finance Corporation (the “Company”), either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company. This determination shall be disclosed in the Company’s annual proxy statement distributed to stockholders. In making this determination, a director of the Company who satisfies all of the following standards shall be presumed to be independent:

- During the past three years, the Company has not employed the director or (except in a non-officer capacity) any of his or her immediate family members.
- During the past three years, the director has not been employed by, or affiliated with, the Company’s present or former internal or external auditors, nor has any of the director’s immediate family members been so employed or affiliated.
- During the past three years, neither the director, nor any of his or her immediate family members, has received more than \$100,000 per year in direct compensation from the Company or any of its subsidiaries in any of the past three years, other than fees for board and board committee service, pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or compensation received by an immediate family member for service as a non-executive employee of the Company or any of its subsidiaries.
- During the past three years, neither the director, nor any of his or her immediate family members, has been employed as an executive officer of another company where any of the present executives of the Company or any of its subsidiaries serve currently or served at any time during the past three years on that company’s compensation committee (or other committee performing equivalent functions).
- The director is not currently an executive officer or an employee, and any of his or her immediate family members is not currently an executive officer, of a company that makes payments to, or receives payments from, the Company or any of its subsidiaries for property or services in an amount which, in the current fiscal year or any of the past three fiscal years, exceeds or exceeded the greater of \$1 million or 2% of such other company’s consolidated gross revenues.

For purposes of these director independence standards:

- the term “affiliate” means any corporation or other entity that controls, is controlled by or is under common control with the Company, as evidenced by the power to elect a majority of the board of directors or comparable governing body of such entity; and
- the term “immediate family” means spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than employees) sharing a person's home.

The Board of Directors shall undertake an annual review of the independence of all non-employee directors of the Company. In advance of the meeting at which this review occurs, each non-employee director of the Company shall be asked to provide the Board of Directors with full information regarding such director's business and other relationships with the Company and its affiliates and with the Company's senior management and their affiliates to allow the Board of Directors to evaluate the director's independence. These relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others.

Each director of the Company has an affirmative obligation to advise the Board of Directors of any material changes in his or her circumstances or relationships that may reasonably be expected to impact his or her designation by the Board of Directors as “independent.” This obligation includes all business relationships between a director of the Company, on the one hand, and the Company and its affiliates or members of the Company's senior management and their affiliates, on the other.