

CAPITAL LEASE FUNDING, INC.

COMPENSATION COMMITTEE CHARTER

Amended as of September 27, 2005

The following shall constitute the Compensation Committee Charter (the "Charter") of the board of directors of Capital Lease Funding, Inc., a corporation incorporated under the laws of the State of Maryland ("Corporation"):

I. ORGANIZATION

There shall be constituted a standing committee of the board of directors of the Corporation (the "Board") to be known as the compensation committee (the "Compensation Committee").

II. COMPOSITION AND SELECTION

The Compensation Committee shall be comprised of two or more directors. The members of the Compensation Committee shall satisfy the independence requirements of the New York Stock Exchange as then in effect.

The members of the Compensation Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board. The members of the Compensation Committee shall serve for one year or until their successors are duly elected and qualified. Unless a Chairman is elected by the full Board, the members of the Compensation Committee shall designate a Chairman by majority vote of the full Committee.

The duties and responsibilities of Compensation Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

III. STATEMENT OF PURPOSE

The Compensation Committee is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Corporation's directors and officers. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Corporation.

IV. COMMITTEE OBJECTIVES

The Compensation Committee's primary objectives include serving as an independent and objective party to review the compensation of the Corporation's directors and officers, and evaluating and approving director and officer compensation plans, policies and programs.

V. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, chief executive officer (“CEO”) or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms.

The Compensation Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Compensation Committee may form and delegate authority to subcommittees when appropriate.

The Compensation Committee shall:

1. Review and approve annually corporate goals and objectives relevant to executive officer compensation (including the CEO); evaluate executive officer performance in light of those goals and objectives; determine and approve executive officer compensation levels based on this evaluation; and, in determining the long-term incentive component of executive officer compensation, consider the Corporation’s performance and relative shareholder return, the value of similar incentive awards to similarly titled executive officers at comparable companies and the awards given to executive officers in past years;
2. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans;
3. Determine the number of shares underlying, and the terms of, restricted stock awards to be granted under the Corporation’s stock plan;
4. Administer and implement the Corporation’s stock plan;
5. Produce an annual report on executive compensation as required by the Securities and Exchange Commission to be included in the Corporation’s proxy statement;
6. Make regular reports to the Board;
7. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval; and
8. Annually review its own performance.

VI. MEETINGS

The Compensation Committee shall meet as often as may be deemed necessary or appropriate in its judgment and that of the Board. The Chairman or a majority of the members of the Compensation Committee may call meetings of the Committee upon reasonable notice to all members of the Committee.

VII. CONSISTENCY WITH ARTICLES

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Articles of Amendment and Restatement or the Amended and Restated Bylaws of the Corporation, the Articles of Amendment and Restatement or the Amended and Restated Bylaws, as appropriate, shall fully control.

VIII. CERTIFICATION

This Compensation Committee Charter was duly approved and adopted by the Board of the Corporation on the 27th day of September, 2005.

/s/ Paul C. Hughes
Corporate Secretary