

CAPLEASE, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Amended as of September 14, 2010

The following shall constitute the Code of Business Conduct and Ethics (the “Code of Business Conduct and Ethics”) of CapLease, Inc., a corporation incorporated under the laws of the State of Maryland (the “Corporation”):

I. INTRODUCTION

The Corporation believes in the importance of ethical conduct, fair dealing and adherence to the laws, rules, regulations and standards governing our business and our industry. This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, officers and directors of the Corporation. All of our officers, directors and employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

If a law conflicts with a policy in this Code of Business Conduct and Ethics, you must comply with the law. If you have any questions about these conflicts, you should ask the Corporation’s General Counsel how to handle the situation.

Those who violate the standards in this Code of Business Conduct and Ethics will be subject to disciplinary action. If you are in a situation that you believe may violate or lead to a violation of this Code of Business Conduct and Ethics, follow the guidelines described in Section XVI of this Code of Business Conduct and Ethics.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS GOVERNING THE CORPORATION’S BUSINESS

Obeying the law, both in letter and in spirit, is the foundation on which the Corporation’s ethical standards are built. All employees, officers and directors must respect and obey the laws of the municipalities, states and countries in which we operate. Although not all officers, directors and employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from the Corporation’s General Counsel, supervisors or other appropriate personnel. If requested, the Corporation will hold information and training sessions to promote compliance with laws, rules and regulations.

III. CONFLICTS OF INTEREST

A “conflict of interest” exists when a person’s private interest interferes, or appears to interfere, with the interests of the Corporation. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Corporation work objectively and effectively. Conflicts of interest also may arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of

his or her position at the Corporation. Loans to, or guarantees of obligations of, employees, officers or directors or their family members may create conflicts of interest.

It is almost always a conflict of interest for a Corporation employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member unless the Board of Directors (the “Board”) determines no conflict exists. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

Conflicts of interest are prohibited as a matter of Corporation policy, except under guidelines approved by the Board. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult your supervisor or the Corporation’s General Counsel. Any employee, officer or director who becomes aware of a conflict or a potential or apparent conflict should bring it to the attention of his or her supervisor, the Corporation’s General Counsel or other appropriate personnel, or consult the procedures described in Section XVI of this Code of Business Conduct and Ethics.

IV. INSIDER TRADING

Employees, officers or directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Corporation’s business. All non-public information about the Corporation should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal. The Corporation has adopted an Insider Trading Policy to enhance compliance with insider trading laws. If you have any questions, or to obtain a copy of the Insider Trading Policy, please consult the Corporation’s General Counsel.

V. CORPORATE OPPORTUNITIES

Employees, officers or directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Board. No employee, officer or director may use corporate property, information, or position for improper personal gain, and no employee may compete with the Corporation directly or indirectly. Employees, officers or directors owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

VI. COMPETITION AND FAIR DEALING

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee, officer or director should endeavor to respect the rights of and deal fairly with the Corporation’s customers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Corporation officer, director or employee or family member of an employee, officer or director or agent unless it: (1) is not a cash gift; (2) is consistent with customary business practices; (3) is not excessive in value; (4) cannot be construed as a bribe or payoff; and (5) does not violate any laws or regulations. Please discuss with your supervisor or the Corporation's General Counsel any gifts or proposed gifts that you are not certain are appropriate.

VII. DISCRIMINATION AND HARASSMENT

The diversity of the Corporation's employees is a tremendous asset. We are firmly committed to providing equal employment opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, marital or veteran status or other characteristics protected by law. We will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

VIII. HEALTH AND SAFETY

The Corporation strives to provide each employee with a safe and healthful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

IX. RECORD-KEEPING

The Corporation requires honest and accurate recording and reporting of information in order to make responsible business decisions.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask the Corporation's Chief Financial Officer or Controller.

All of the Corporation's books, records, accounts and financial statements are maintained in reasonable detail, must appropriately reflect the Corporation's transactions and must conform both to applicable legal requirements and to the Corporation's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

Records should always be retained or destroyed according to the Corporation's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, it is essential to follow the advice of the Corporation's General Counsel. Whenever litigation or an investigation is pending or threatened every potentially relevant document must be preserved unless destruction has been approved by the Corporation's General Counsel.

X. CONFIDENTIALITY

Employees, officers or directors must maintain the confidentiality of confidential information entrusted to them by the Corporation or its customers, except when disclosure is authorized by the Corporation's General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Corporation or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

XI. PROTECTION AND PROPER USE OF THE CORPORATION'S ASSETS

All employees, officers or directors should endeavor to protect the Corporation's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Corporation's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. All Corporation assets should be used for legitimate business purposes. Corporation equipment should not be used for non-Corporation business, though incidental personal use may be permitted.

The obligation of employees, officers and directors to protect the Corporation's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Corporation policy. It could also be illegal and result in civil or even criminal penalties.

XII. PAYMENTS TO GOVERNMENT PERSONNEL

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Corporation policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Corporation's General Counsel can provide guidance to you in this area.

XIII. DISCLOSURE POLICY

It is the Corporation's policy to provide full, fair, accurate, timely and understandable disclosure in all documents required to be filed with or furnished or submitted to the Securities and Exchange Commission and in all other public communications. All employees have a responsibility to ensure that false or intentionally misleading information is not given in the Company's SEC filings or public communications.

If you believe that incomplete, false or intentionally misleading information has been given in the Company's SEC filings or public communications or that an employee has engaged in insider trading, you should bring it to the attention of the General Counsel, your supervisor, or other appropriate personnel. You may also report such matters to our Board of Directors in accordance with Exhibit A to this Code of Business Conduct and Ethics.

In addition, employees, officers or directors are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead the Corporation's independent auditors for the purpose of rendering the financial statements of the Corporation misleading.

XIV. WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS

Under extraordinary circumstances a waiver of this Code of Business Conduct and Ethics for employees, officers or directors may be made and if required by law or stock exchange regulation will be promptly disclosed to stockholders.

XV. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

Employees are encouraged to talk to their supervisors, the General Counsel or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Corporation not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees, officers and directors are expected to cooperate in internal investigations of misconduct. You may also report illegal or unethical behavior to our Board of Directors in accordance with Exhibit A to this Code of Business Conduct and Ethics.

XVI. COMPLIANCE PROCEDURES

We must all work to ensure prompt and consistent action against violations of this Code of Business Conduct and Ethics. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Corporation resources. If you feel it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it with the Corporation's General Counsel.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Corporation does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.

XVII. ACCOUNTABILITY

You will be accountable for adherence to this Code of Business Conduct and Ethics. Violations of this Code of Business Conduct and Ethics may result in a variety of disciplinary actions, including termination of employment and civil or criminal penalties.

XVIII. CERTIFICATION

This Code of Business Conduct and Ethics was duly approved and adopted by the Board of the Corporation on the 14th day of September, 2010.

/s/ Paul C. Hughes
Corporate Secretary

Contact the CapLease, Inc. Board of Directors

CapLease, Inc.'s Audit Committee and Board of Directors have adopted the following procedures to facilitate communications with the Audit Committee and Board:

- Employees, stockholders and other interested persons who wish to contact our Audit Committee, including to report complaints relating to accounting, internal accounting controls, or auditing matters, may do so calling our 24 hour toll-free whistleblower hotline at (866) 851-8180.
- Our Board of Directors or our non-management directors specifically may also be contacted regarding any other concerns through our whistleblower hotline at the same telephone number.

All communications to our whistleblower hotline will be forwarded directly to Howard A. Silver, who is CapLease's Audit Committee Chairman and Lead Independent Director. All communications may be made on an anonymous or confidential basis, but should contain sufficiently specific information to permit the Audit Committee or Board to pursue the matter.