

CRT PROPERTIES, INC. CORPORATE GOVERNANCE GUIDELINES

BOARD MISSION

The mission of the Board of Directors (the “Board” or “Board of Directors”) of CRT Properties, Inc. (the “Company”) is to represent the interests of the shareholders of the Company in achieving superior and sustainable business performance. The Company’s business is managed under the direction of the Board, with the Board delegating the conduct of business to the Chief Executive Officer (the “CEO”) and other senior executives. The Board is responsible for ensuring that the Company has in place a quality senior management team focused on achieving its performance objectives.

DIRECTORS’ RESPONSIBILITIES

In all actions, directors are expected to discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Company. 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.

BOARD SIZE, COMPOSITION, AND INDEPENDENCE

The Board presently has seven members. The Board would be willing to expand to a somewhat larger size, however, to accommodate the availability of an outstanding candidate. The Board, on the recommendation of the Nominating and Corporate Governance Committee, will annually evaluate and determine the appropriate size and composition of the Board.

The Board of Directors shall satisfy any independence requirements of the New York Stock Exchange as then in effect. The Board has established the following guidelines to assist it in determining director independence solely for purposes of the New York Stock Exchange Listing Standards. The Board will make a determination as to the independence of each director and shall disclose those determinations. An “independent” director shall be a director whom the Board affirmatively determines has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), subject to the guidance provided by the Listing Standards of the New York Stock Exchange. In evaluating the materiality of any such relationship, the Board of Directors shall take into consideration whether disclosure of the relationship would be required under Section 404(a) or Section 404(b) of Regulation S-K. The Board may determine that a director is “independent” if he or she:

- a) is not and has not been employed by the Company or its subsidiaries in an executive capacity within the three years immediately prior to the annual meeting at which the nominees of the Board of Directors will be voted upon;
- b) is not and has not been for the past three years employed by or affiliated with an auditor of the company that provided independent audit services to the Company within the past three years;
- c) is not and has not in the past three years been part of an interlocking directorate involving compensation committees;
- d) is not an executive officer or director of a tax-exempt entity that received significant contributions from the Company or its subsidiaries; and
- e) is not a spouse, parent, sibling, child, mother- or father-in-law, son- and daughter-in-law and brother- and sister-in-law or any person (other than employees) who shares a residence with any person described by (a) through (d).

BOARD MEMBERSHIP CRITERIA

In accordance with its charter, the Nominating and Corporate Governance Committee shall be responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment shall include issues of judgment, diversity and age, an understanding of the office building industry, in general, and some knowledge of the Company's business, in particular, all in the context of an assessment of the perceived needs of the Board at that point in time.

PROCEDURE FOR SELECTING BOARD NOMINEES

The Nominating and Corporate Governance Committee, in accordance with the policies and procedures set forth in its charter, shall recommend a slate of director candidates for the Board's approval. Invitations to join the Board shall be extended by the Board itself via the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee.

CANDOR AND AVOIDANCE OF CONFLICTS

The Company's directors recognize that candor and the avoidance of conflicts in fact and in perception are hallmarks of the accountability owed to the shareholders. Directors have a personal obligation to disclose a potential conflict of interest to the Audit Committee of the Board in accordance with the Company's Code of Business Conduct and Ethics prior to any Board decision related to the matter and, if the Chairman in consultation with legal counsel determines a conflict exists or the perception of a conflict is likely to be significant, to recuse themselves from any discussion or vote related to the matter.

BOARD CHAIRMANSHIP

It is the general policy of the Board that an independent director selected by all of the members of the Board shall serve as the chairman of the Board. If, at any time, the chairman is deemed to be not independent or should the CEO also hold the title of Chairman, the non-management directors shall then select a Lead Independent Director who shall serve in the capacity of chairman and carry out the duties of the chairman described herein.

REGULAR EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS

The non-management directors of the Board shall regularly meet in executive session as determined by such directors, but no less frequently than quarterly. The non-management directors shall determine the agendas and procedures for such meetings, but shall have no authority to act on behalf of the Company or the Board on any matters without an express delegation of authority by the Board. The chairman shall preside at these meetings, unless the chairman is deemed to be not independent or the CEO also holds the title of Chairman, in which case the Lead Independent Director shall preside at these meetings, and the name of the chairman or the Lead Independent Director, as applicable, will be disclosed in the annual proxy statement. The independent directors of the Board shall meet in executive session at least annually.

EVALUATION OF THE CEO

The Compensation Committee shall undertake an annual evaluation of the CEO as set forth in its charter and report its findings and recommendations to the Board. The Chairman of the Compensation Committee (together with the Chairman of the Board if such position is held by an individual other than the CEO) shall communicate the Board's conclusions to the CEO. The evaluation shall be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, and other factors determined by the Compensation Committee. The evaluation shall be used by the Compensation Committee in determining the CEO's compensation.

SUCCESSION PLANNING

The Nominating and Corporate Governance Committee should make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Corporate Governance Committee to nominate and evaluate potential successors to the CEO. The CEO should at all time make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

MANAGEMENT DEVELOPMENT

The CEO shall report annually to the Board on the Company's program for management development. This report should be given to the Board at the same time as the succession planning report noted above.

DIRECTOR ORIENTATOIN AND CONTINUING EDUCATION

The Nominating and Corporate Governance Committee shall be responsible for providing a complete orientation process for new directors that includes background material, meetings with senior management and visits to Company facilities. All directors are invited to attend the orientation sessions for new directors. In addition, the Nominating and Corporate Governance Committee shall be responsible for exploring continuing education opportunities for directors.

COMMITMENT AND LIMITS ON OTHER ACTIVITIES

Directors shall limit the number of boards of public companies on which they serve to between 3 and 5, with the lower limit applying to directors who are engaged full-time in another employment. Directors shall advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another board.

CHANGE IN EMPLOYMENT

Upon a director's resignation or retirement from, or termination of, his or her principal current employment, or similar material change in a director's professional occupation or association, the director shall notify the Board of such event or change and shall volunteer to resign from the Board. Such a step provides an opportunity for the Board, through the Nominating and Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

TERM AND AGE LIMITS

As an alternative to term limits and/or a mandatory retirement age, the Nominating and Corporate Governance Committee shall formally review each director's continuation on the Board at the expiration of the director's term. The Board will consider whether it is appropriate to adopt age limits for directors.

BOARD COMPENSATION AND STOCK OWNERSHIP

The Compensation Committee shall evaluate annually the status of Board compensation in relation to comparable U.S. companies (in terms of size, business sector, etc) and shall report its findings and recommendations to the Board. To enhance the alignment of directors and shareholders, the Board encourages directors to own common shares of the Company.

SELECTION OF BOARD MEETING AGENDA ITEMS

The Chairman of the Board, in consultation with the CEO (if such position is held by an individual other than the Chairman of the Board), shall establish the agenda for each Board meeting. The Chairman shall distribute to Board Members a schedule of significant agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). Each Board member shall be free to suggest

the inclusion of items(s) on the agenda. In the event that the CEO also holds the title of Chairman of the Board, the agenda shall be established by the CEO and the Lead Independent Director.

BOARD MATERIALS AND INFORMATION

Management shall distribute information and data that is important to the Board's understanding of the business in writing to the Board, to the extent possible, at least 5 business days before Board meetings. Management should ensure that this material is as concise as possible while still providing the information necessary for informed decision making.

BOARD MEETING PRESENTATIONS

As a general rule, Board meeting time should be reserved for discussion. Presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.

ATTENDANCE AT BOARD MEETINGS BY SENIOR MANAGERS

The Board welcomes attendance of senior managers at Board meetings although it believes that certain board discussions may need to take place only amongst directors. In general, the Chairman shall determine whether non-director managers should be present during Board discussions although any Board member may raise the issue for consideration. Should the Chairman and CEO wish to suggest that a senior manager attend on a regular basis, such suggestion shall be made to the Board for its concurrence. The Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential such that management believes he or she should be given exposure to the Board.

BOARD ACCESS TO SENIOR MANAGERS

Directors shall have complete and free access to senior management. Directors will use their judgment to ensure that this contact is not distracting to the business operation of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the company, or advise the CEO of any oral communications.

BOARD INTERACTION WITH INVESTORS, PRESS, CUSTOMERS AND SHAREHOLDERS

The Board believes that management, and, in particular, the CEO speaks for the Company. Individual Board members may, from time to time at the request of the CEO, meet or otherwise communicate with various constituencies. Board members shall refer any requests for public comment to the CEO. If comments from the Board are appropriate, however, they should, in most circumstances, come from the Chairman.

NUMBER, STRUCTURE AND INDEPENDENCE OF BOARD COMMITTEES

The Board currently has five committees: (1) Audit, (2) Executive, (3) Compensation, (4) Finance and (5) Nominating and Corporate Governance. Membership on the Audit, Compensation, and Nominating and Corporate Governance Committees is limited to independent directors. Each of these committees shall have a charter approved by the Board outlining its responsibilities and duties. Each committee shall review its charter on an annual basis and make recommendations regarding necessary revisions to the Board for adoption. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate, or disband existing committees to the extent permitted under applicable law, upon the recommendation of the Nominating and Corporate Governance Committee.

COMMITTEE MEETINGS AND AGENDAS

The schedule of regular meetings of each committee and a forward agenda of regularly recurring items to be considered by each committee are established on an annual basis when the calendar for Board meetings is developed. The chairman of each committee, in consultation with committee members and management, shall develop the committee's agenda and schedule ad hoc or special meetings of the committee subject to the requirements of notice and quorum. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter.

COMMITTEE REPORTS

Each committee chairman shall make a report to the Board, at the next meeting of the Board following the committee meeting, with respect to matters considered and actions taken by the committee.

COMMITTEE MEETING ATTENDANCE BY CHAIRMAN AND CEO

The Chairman and CEO may attend the meeting of any committee, even if they are not members of that committee, except when (a) the committee is meeting in executive session or (b) the non-management directors of that committee are meeting in executive session.

APPOINTMENT OF MEMBERS TO COMMITTEES

The Nominating and Corporate Governance Committee shall recommend, after consultation with the Chairman of the Board and CEO, and with consideration of the desires of individual Board members, the appointment of Board members to various committees and the appointment of committee chairmen.

APPOINTMENT SELF-EVALUATION

The Nominating and Corporate Governance Committee shall have the responsibility for overseeing an annual self-evaluation of the performance of the Board, its committees and individual directors. The evaluation shall be based on self-assessments completed annually by each committee and each member of the Board according to criteria established by the Board. The Nominating and Corporate Governance Committee shall review these assessments with the Chairman and report its findings and recommendations to the Board.

CORPORATE GOVERNANCE GUIDELINES

The Nominating and Corporate Governance Committee shall review these Corporate Governance Guidelines periodically and recommend amendment to the Board as necessary. To the extent any provision of these Corporate Governance Guidelines may be inconsistent with the Company's amended and restated articles of incorporation or by-laws of the Company, the amended and restated articles of incorporation or by-laws, as appropriate, shall fully control.

Approved and adopted by the Board of Directors at its regular meeting on February 26, 2004.