

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee is appointed by the Board of Directors (the "Board") of Brookfield Homes Corporation (the "Company") to assist the Board in monitoring: (1) the integrity of the financial statements of the Company, including audits thereof, (2) the Company's accounting and financial reporting processes and system of internal controls and procedures for financial reporting and accounting compliance, (3) the independent auditor's qualifications and independence, (4) the performance of the Company's internal audit function and independent auditors, (5) the compliance by the Company with legal and regulatory requirements, (6) the Company's relationship with the independent auditors, and (7) the Company's principal financial risks and the processes employed to manage such risks.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

The Audit Committee shall have the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Audit Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibilities. In this regard, the Audit Committee may direct the internal audit department to particular areas of examination.

MEMBERSHIP AND CHAIRPERSON

The Audit Committee shall consist of no fewer than three members. All members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. In particular, the Board shall have determined that each member of the Audit Committee has (i) no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and (ii) no relationship to the Company that may interfere with the member's exercise of independence from management and the Company. In addition: (i) a member who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationship; (ii) a member who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$100,000 per year in such compensation; (iii) a member who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not independent until three years after the end of the affiliation or the employment or auditing relationship; (iv) a member who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee is not independent until three years after the end of such service or the employment relationship; and (v) a member who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of the other company's consolidated gross revenues, is not independent until three years after falling below such threshold. For purposes of analyzing independence, an "immediate family member" includes a directors' spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such director's home.

No member of the Audit Committee shall, other than in his or her capacity as a member of the Audit Committee, the Board or any other Committee of the Board, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary of the Company (other than fixed amounts of compensation under a retirement plan, including deferred compensation, for prior service with the Company and provided that such compensation is not contingent in any way on continued service to the Company), or be an "affiliated person" (as such term is defined in Rule 10A-3 of the Exchange Act) of the Company or any subsidiary of the Company.

Each member of the Audit Committee shall be financially literate, as determined by the Board. At least one member of the Audit Committee shall have accounting or related financial management expertise, as determined by the Board.

At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Commission. A financial expert has through (1) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (2) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (3) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (4) other relevant experience:

- An understanding of generally accepted accounting principles and financial statements;
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- 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 reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Audit Committee, and required public disclosure is made.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. Audit Committee members may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Audit Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board.

The Board, upon the recommendation of the Nominating and Governance Committee of the Company, shall appoint the Chairman of the Audit Committee. If the Chairman of the Audit Committee is not present at a meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by a majority of the members of the Audit Committee present at the meeting to preside over the meeting.

RESPONSIBILITIES AND AUTHORITY

The Audit Committee shall be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of the independent auditor (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 or attest services for the Company. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted “non-audit services” (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may establish policies and procedures for such pre-approvals so long as such policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service and such policies and procedures do not include delegation of the Audit Committee’s responsibilities under the Exchange Act to management. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall provide a summary of all approvals and pre-approvals of the provision of audit, audit-related, tax and other services by the independent auditor for the past two fiscal years, for inclusion in the Company’s Form 10-K.

The Audit Committee shall have the authority, to the extent it deems necessary to carry out its duties, to retain independent legal counsel and other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee in its capacity as a Committee of the Board, for payment of: (i) compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisors employed by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall make regular reports to the Board regarding any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance and independence of the Company’s independent auditors or the performance of the internal audit function. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The performance of the Audit Committee shall be reviewed annually by the Governance and Nominating Committee.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the Company’s annual audited financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company’s Form 10-K.
2. Review and discuss with management and the independent auditor the Company’s quarterly financial statements, including disclosures made in management’s discussion and analysis, prior to the filing of its Form 10-Q, including the results of the independent auditor’s review of the quarterly financial statements.
3. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the Company’s selection or application of accounting principles, any major issues as to the adequacy of the Company’s internal controls and any special steps adopted in light of material control deficiencies.
4. Review and discuss quarterly reports from the independent auditors on:
 - (a) All critical accounting policies and practices to be used.

- (b) All alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.
 - (c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
 6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
 7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
 8. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
 9. Review with the principal executive officer and principal financial officer of the Company and the external auditors: (i) all significant deficiencies and material weaknesses in the design or operation of the Company's "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act), which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
 10. Review other matters related to the conduct of the audit that are to be communicated to the Audit Committee under generally accepted auditing standards.

Oversight of the Company's Relationship with the Independent Auditor

11. Review and evaluate the lead partner of the independent auditor team.
12. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) 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 governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) (to assess the independent auditor's independence) all relationships between the independent auditor and the Company, including its affiliates. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and should take into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
13. Ensure the rotation of partners on the audit engagement team as required by law and consider, if appropriate, rotating the independent auditing firm in order to assure continuing auditor independence.

14. Set clear policies for the Company's hiring of employees or former employees of the independent auditor.
15. Discuss with the national office of the independent auditor issues on which they were consulted by the Company's audit team and matters of audit quality and consistency.
16. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit and Internal Control Functions

17. Review the appointment and replacement of the internal auditing representative and the Chief Financial Officer.
18. Review the significant reports to management prepared by the independent auditor and/or the internal auditing department, and management's responses to such reports.
19. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
20. Ensure that management, the independent auditor and the internal audit department provide to the Audit Committee an annual report on the Company's control environment as it pertains to the Company's financial reporting process and controls.

Compliance Oversight Responsibilities

21. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act (regarding the discovery by the independent auditor of illegal acts) has not been implicated.
22. Obtain reports from management, the Company's internal auditing representative and the independent auditor that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
23. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
24. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
25. Discuss legal matters that may have a material impact on the financial statements or the Company's compliance policies.

Miscellaneous

26. Perform such other functions as required by law, the Company's Articles of Incorporation or By-laws, or the Board.

MEETINGS

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. Audit Committee meetings may, by agreement of the Chairman of the Audit Committee, be held in person, by video conference, by means of telephone or by a combination of any of the foregoing. The Audit Committee shall meet periodically, but not less frequently than annually, with management, the internal auditors and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

A majority of Audit Committee members, present in person, by video conference, by telephone or by a combination thereof, shall constitute a quorum.