

**THE MILLS CORPORATION
AUDIT COMMITTEE
SECOND AMENDED AND RESTATED CHARTER**

This AMENDED AND RESTATED CHARTER (the “**Charter**”) of the AUDIT COMMITTEE (the “**Committee**”) has been adopted by the Board of Directors (the “**Board**”) of The Mills Corporation (the “**Company**”) on December 1, 2004.

A. Purpose. The purpose of the Committee is

1. to be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services to the extent such registered public accounting firm is required to be “independent” under applicable rules and regulations (the “Auditor”);
2. to assist in Board oversight of: (a) the integrity of the financial statements of the Company; (b) the compliance by the Company with legal and regulatory requirements; (c) the qualifications and independence of the Company’s Auditor; and (d) the performance of the Company’s internal audit functions and Auditor; and
3. to be responsible for the preparation of the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

The Committee shall have and perform the same duties and responsibilities, to the extent required by applicable law, with respect to the Company’s subsidiary, The Mills Limited Partnership, to those contained herein with respect to the Company, as long as the Company is the general partner and The Mills Limited Partnership is a public reporting company.

B. Members. The Committee shall consist of no fewer than three members of the Board all of whom shall meet the independence, experience and financial literacy requirements set forth in the listing standards of the New York Stock Exchange (the “NYSE”) and established under applicable statutes and regulations of the SEC. At all times, at least one member of the Committee shall be an “audit committee financial expert” within the meaning of the applicable rules and regulations of the SEC and shall have “accounting or related financial management experience” under the applicable rules and regulations of the NYSE, as determined by the Board in its business judgment.

Committee members shall not serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service does not impair the ability of such member to effectively serve on the Committee.

The members of the Committee shall be appointed by the Board on the recommendation of the Governance and Nominating Committee. Audit Committee members may be removed and replaced by the Board, but all replacements shall be made on the recommendation of the Governance and Nominating Committee.

The Board shall designate one member of the Committee as its Chairman.

C. Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Committee shall be as set forth below.

1. The Committee shall be directly responsible and have the sole authority to appoint and approve the compensation of the Auditor. The Committee shall evaluate the performance of the Auditor and be directly responsible, and have the sole authority, for the retention, discharge or replacement of the Auditor (subject, if deemed appropriate, to shareholder ratification). The Committee will periodically consider whether rotation of the Auditor is appropriate.
2. The Committee shall be directly responsible for resolving any disagreements between the management of the Company and the Auditor regarding financial reporting.
3. The Committee shall approve in advance the provision by the Auditor of all services whether or not related to the audit. The Committee shall cause the Company to provide for appropriate funding, as determined by the Committee, for payment of compensation to the Auditor retained by the Company for the purpose of rendering or issuing an audit report. The Committee may delegate authority to one or more members to grant pre-approvals of audit and permitted non-audit services, provided that decisions to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.
4. The Committee shall review and discuss with management and the Auditor the Company's annual audited financial statements, quarterly financial statements and interim financial information, including (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (b) analyses prepared by management or the Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles ("GAAP") methods on the financial statements, (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company, (d) the Company's disclosures under "Management's Discussion and Analysis of Results of Operations and Financial Condition", (e) any pro forma or non-GAAP information, (f) any material correcting adjustments that have been identified by the Auditor and (g) other matters related to the conduct of the audit of the Company's annual financial statements or review of the Company's quarterly or interim financial statements that are to be communicated to the Committee under applicable standards.
5. The Committee shall review analyses and reports prepared by the Auditor, including analyses of (a) critical accounting policies and practices in connection with the preparation of the Company's financial statements, (b) the ramifications of the use of alternative disclosures and treatments of financial information within GAAP and the treatment preferred by the Auditor, and (c) other material written communications between the Auditor and management, including any management letter or schedule of unadjusted differences.
6. The Committee shall review and discuss with management and the Auditor the Company's earnings press releases, as well as financial information and earnings

guidance provided to analysts and rating agencies. Such review and discussion may be done generally, *i.e.*, the Committee can discuss the types of information to be disclosed and the type of presentation to be made.

7. The Committee shall review policies and procedures with respect to Company transactions in which officers or directors have an interest; where appropriate, including when their review is requested by management or the Auditor, review policies and procedures with regard to officers' expense accounts and perquisites, including their use of corporate assets and consider the results of any review of these areas by the internal audit staff or Auditor. The Committee shall review all related party transactions and similar matters to the extent required by the NYSE to be approved by an audit committee or comparable body.
8. The Committee shall meet periodically with management, internal audit staff and the Auditor to discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall also review and evaluate the Company's guidelines and policies for identifying and assessing key financial risk areas and for formulating and implementing steps to address such risk areas.
9. The Committee shall review major changes to the Company's auditing and accounting principles and practices as suggested by the Auditor, internal auditors or management.
10. The Committee shall receive periodic reports, at least annually, from the Auditor regarding (a) the Auditor's independence, (b) the Auditor's internal quality control procedures, (c) any material issues raised by the most recent internal quality control review, or peer review, of the Auditor, 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, and any steps taken to deal with any such issues, and (d) all relationships between the Auditor and the Company. Based on these reports, the Committee shall evaluate the Auditor's qualifications, performance and independence. Additionally, this evaluation should include the review and evaluation of the lead partner of the Auditor; the Committee shall ensure that the Auditor complies with the lead partner rotation requirements established by the SEC. The Committee shall discuss such reports with the Auditor and take appropriate action on any disclosed relationship to satisfy itself of the Auditor's independence. The Committee shall present its conclusions of such evaluations to the Board.
11. The Committee shall establish clear hiring policies for employees and former employees of the Auditor.
12. The Committee shall review the appointment and replacement of the senior internal auditing executive as well as the performance of the internal auditing staff.
13. The Committee shall obtain from the senior internal auditing executive ongoing assessments of the Company's risk management processes and systems of internal control and review such reports and management's responses thereto.
14. The Committee shall meet with the Auditor prior to the audit to review the planning and staffing of the annual audit and other examinations of the Company's quarterly, annual and other financial information. The Committee shall also review with internal audit

staff and the Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of internal and external audit resources.

15. The Committee shall obtain from the Auditor assurance that during the course of the annual audit the Auditor did not detect or otherwise become aware of information indicating that an illegal act has occurred that might have a material adverse effect on the financial statements of the Company.
16. The Committee shall obtain reports from management, the Company's senior internal auditing executive and the Auditor, as appropriate, that the Company, the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics.
17. The Committee shall review with the Auditor any audit problems or difficulties the Auditor may have encountered in the course of the audit work and management's response to any such problems or difficulties. Such review shall include:
 - (a) Any restrictions on the scope of activities or access to required information;
 - (b) Any significant disagreements with management; and
 - (c) The internal audit department responsibilities, budget and staffing.
18. The Committee shall be responsible for the preparation of the report required by the rules of the SEC to be included in the Company's annual proxy statement, and shall undertake to complete each task necessary to complete such report. It shall also review the information to be provided by the Auditor for inclusion in the proxy statement, including with regard to fees relating to the audit.
19. The Committee shall review with the Board any issues with respect to the Company's policies and procedures regarding (a) compliance with applicable laws and regulations, (b) the Company's Code of Business Conduct and Ethics that apply to financial reporting, (c) the quality or integrity of the Company's financial statements, (d) the performance and independence of the Auditor, and (e) the performance of the internal audit function.
20. The Committee shall review with the Company's general counsel legal and regulatory matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from external counsel, regulators or governmental agencies.
21. The Committee shall 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 the Company of concerns regarding questionable accounting or auditing matters.
22. The Committee shall meet periodically with the Chief Financial Officer and the members of management, the senior internal auditing executive and the Auditor in separate executive sessions.

23. The Committee may form and delegate authority to subcommittees if determined to be necessary or advisable. Notwithstanding the foregoing, the Committee may not allocate the audit committee responsibilities and functions described under C(1), C(2), C(3), C(4), C(6), C(8), C(10), C(11), C(13), C(17), C(19), C(21), C(22), C(26) and D of this Charter to a different committee.
 24. The Committee shall make reports to the Board at the next regularly scheduled meeting following the meeting of the Committee accompanied by any recommendations to the Board.
 25. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Governance and Nominating Committee for approval by the Board.
 26. The Committee shall annually review its own performance in coordination with the Governance and Nominating Committee.
 27. The Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.
- D. Further Authority. In carrying out its duties, responsibilities and authority set forth in this Charter (and such other authority and responsibilities as may be assigned to it from time to time by the Board), the Committee shall have the authority to engage, and obtain advice and assistance from, independent legal counsel, accounting and other advisers. The Company shall provide appropriate funding to compensate any such advisers. Further, the Company shall provide appropriate funding to compensate for ordinary administrative expenses of the Committee.
- E. Limitations on Duties, Responsibilities and Authority. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the Auditor.
- F. Amendments. This Charter may be amended or supplemented at any time and from time to time, at the discretion of the Board.