

MUNICIPAL MORTGAGE & EQUITY, LLC

Amended and Restated Audit Committee Charter

1. Purpose

The Audit Committee (the “Committee”) shall assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities. The Committee’s primary duties and responsibilities are to:

- Monitor the integrity of the financial reporting process and systems of internal controls of Municipal Mortgage & Equity, LLC (the “Company”);
- Monitor the Company’s compliance with legal and regulatory requirements;
- Monitor the independence, qualifications and performance of the Company’s independent public accountants and internal audit function;
- Cause to be prepared and approve the report required to be included in the Company’s annual proxy statement, when filed, as required by rules of the Securities and Exchange Commission (the “SEC”); and
- Provide an avenue of communication among the independent auditors, management, the internal audit department and the Board.

In discharging its oversight role, (i) the Committee has the power to conduct or to authorize investigations into any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company, including the independent auditors, and (ii) delegate any of its duties or responsibilities to one or more members of the Committee.

2. Composition

The Committee shall be comprised of at least three directors, each of whom shall satisfy the independence and expertise requirements established by the Board and applicable laws, regulations and listing requirements. In this regard, each member of the Committee shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee and shall have the ability to read and understand financial statements. At least one member of the Committee shall have accounting or related financial management experience.

The members of the Committee shall be elected by the Board at the meeting of the Board following each annual meeting of shareholders and shall serve until their

successors shall be duly elected and qualified or until their earlier resignation or removal. The Chair of the Committee shall be appointed by the full Board.

No director may serve as a member of the Committee if such director serves on the audit committees of more than three other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee and discloses such determination in the Company's annual proxy statement. No member of the Committee may, other than in his capacity as a member of the Committee, the Board or any other Board committee, be an affiliated person of the Company or any of its subsidiaries.

No member of the Committee shall receive any direct or indirect consulting, advisory or other compensatory fee from the Company or any subsidiary of the Company other than director's fees, which may include equity-based awards and/or additional amounts payable to the Chair and to members of the Committee for meeting more frequently or for longer periods of time than the full Board.

3. Meetings

The Committee shall meet at such times and from time to time as it deems to be appropriate, but not less than quarterly. The Committee shall meet separately, at least quarterly, with management, members of the Company's internal audit staff and the Company's independent public accountants. Such meetings may be either in executive session or through separate meetings with the Committee or a Committee member. The Committee may request members of management or others to attend meetings and provide pertinent information as necessary. The Committee shall report regularly to the Board.

4. Responsibilities and Duties

The duties of the Committee shall include the following:

Review Procedures

- Review with representatives of management and the independent public accountants the Company's audited financial statements prior to their filing as part of the Annual Report on Form 10-K. These discussions shall include consideration of the quality of the Company's accounting principles as applied in its financial reporting, which would entail review of estimates, reserves and accruals, review of audit adjustments whether or not recorded and such other inquiries as may be appropriate. Based on the review, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K or any other SEC filings.

- Consider the integrity of the Company's financial reporting process and controls in consultation with management and the Company's independent public accountants. Discuss significant financial risk exposures and the steps management has taken to assess, monitor, control and report such exposures. Review significant findings prepared by the independent public accountants and the internal audit function together with management's responses, including the status of previous recommendations.
- Review with financial management and the independent auditors the Company's quarterly financial results prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution of the Company's Quarterly Reports on Form 10-Q.

Independent Auditors

- The Committee shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace independent public accountants (or to recommend such replacement for shareholder approval in any proxy statement, if applicable). The Committee shall approve the fees and other compensation to be paid to the independent public accountants. The independent public accountants shall be ultimately accountable to the Board and the Committee.
- On an annual basis, receive from the independent public accountants and review a formal written statement describing, to the extent permitted under applicable auditing standards: the auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, 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 auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the outside auditors and the Company. The Committee shall actively engage in a dialogue with the independent public accountants as to any disclosed relationships or services that may impact their independence. The Committee shall take, or recommend that the Board take, appropriate action to oversee the independence of the independent public accountants.

- On an annual basis, discuss with representatives of the independent public accountants the matters required to be discussed by Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard AU 380 (Communication with Audit Committees), as it may be modified or supplemented, relating to conduct of the audit.
- Receive the written disclosures and letter from the independent public accountants regarding the independent accountants’ communications with the Committee regarding independence, as required by PCAOB Rule 3526 (Communications with Audit Committees Concerning Independence) and conduct discussions with the independent accountants’ regarding their independence.
- Review the independent public accountants’ audit plan and engagement letter which discuss the scope, staffing, reliance upon management and general audit approach. Also, review the scope of non-audit services performed for the Company by the independent auditors and approve all non-audit services. This pre-approval requirement for non-audit services is subject to a de minimis oversight exception if: (i) the aggregate amount of all such non-audit services constitutes not more than five percent of the total amount of revenues the Company pays its independent auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or any member of the Committee who has authority to give such approval.
- The Committee shall review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditors independence. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Audit Committee at its next scheduled meeting.
- Consider and discuss with management and the independent auditors any audit problems or difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information and any significant disagreements with management.

Internal Audit Function and Legal Compliance

- Review the budget, plan, changes in plan, activities, organizational structure and qualifications of the internal audit function, as needed.
- Review significant reports prepared by the internal audit function together with management's response and follow-up to these reports.
- On at least an annual basis, review with the Company's inside and outside counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.
- Recommend, review and update periodically the Company's Code of Ethics and Principles of Business Integrity and ensure that management has established a system to enforce this Code. Ensure that the Code is in compliance with all applicable rules and regulations.
- Periodically review management's monitoring of the Company's compliance with its Code of Ethics and Principles of Business Integrity, and ensure that management has the proper review system in place to ensure that the Company's financial statements, reports, and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
- Discuss the Company's policies with respect to risk assessment and risk management.
- Periodically review the Company's Anti-Fraud Program, make recommendations to improve the program as considered necessary and ensure that management has established a system to enforce this Program.

Other Audit Committee Responsibilities

- Prepare a report to shareholders for inclusion in the Company's annual proxy statement. The report of the Committee shall (1) confirm that the Company has a formal, documented Committee charter setting forth the Committee's duties, (2) state whether the Committee satisfied its obligations under the charter during the

previous year, and (3) cover all other matters required by rules of the SEC. This requirement may be met by the posting of the Committee Charter on the Company's website.

- Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Maintain minutes of meetings and regularly report to the Board on significant results of the Committee's activities.
- As appropriate, obtain advice and assistance from outside legal counsel, accountants or other advisors.
- Establish hiring policies for employees or former employees of the independent auditors.
- Establish and maintain procedures for the receipt, retention, investigation and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
- Take, or recommend that management take, appropriate measures to rectify any fraud or other accounting or financial reporting irregularities discovered by the Committee and, in connection therewith, engage senior management and inside and/or outside counsel, as appropriate, in connection therewith.
- Establish and maintain procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
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- Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for any SEC filings about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

5. Evaluation

- On an annual basis, the Committee shall evaluate its performance relative to the Committee's purpose, duties and responsibilities, as described by this Charter. A discussion of these findings shall take place at least annually.

- The Committee shall review and assess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

6. Resources of the Committee

The Committee shall have the authority, following notice to the Chairman of the Board, to retain and compensate legal, accounting or other advisors to advise the Committee and assist it in fulfilling its duties and responsibilities. The 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 Committee or to meet with any members of, or advisors to, the Committee.

The Company shall provide the Committee with appropriate funding, as determined by the Committee, for payment of (i) compensation to any registered public accounting firm engaged 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 advisers employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

7. Other

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of Audit Committee to plan or conduct audits, or to determine that the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. This is the responsibility of the Company's management and the independent auditor.

Effective as of: November 11, 2010