

BEHRINGER HARVARD MULTIFAMILY REIT I, INC.

AUDIT COMMITTEE CHARTER

1. Purpose.

The Audit Committee is appointed by the Board of Directors (the “Board”) of Behringer Harvard Multifamily REIT I, Inc. (the “Company”) to assist the Board in discharging its responsibility for the accounting, reporting and financial practices of the Company and to exercise exclusive decision-making authority in the specific instances noted below. The members of the Audit Committee are not called upon to be professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management or the independent auditor. Further, although the Audit Committee will annually review information provided to the committee concerning the “independence” of the independent auditor, the Audit Committee cannot certify that the independent auditor is “independent” under applicable rules. The Audit Committee serves a board level oversight role where it oversees the relationship with the independent auditor, as set forth in this Charter, and provides advice, counsel and general direction, as it deems appropriate, to management and the independent auditor on the basis of the information it receives, discussions with the independent auditor, and the experience of the Audit Committee’s members in business, financial and accounting matters.

2. Composition and Qualifications.

The Audit Committee shall be composed of two or more independent directors each of whom has been affirmatively determined by the Board to be an “independent director” as that term is defined under the rules set by the Securities and Exchange Commission and under the Statement of Policy Regarding Real Estate Investment Trusts published by the North American Securities Administrators Association. One of the members shall be appointed Committee Chairperson by the Board. Each member shall in the judgment of the Board have the ability to read and understand the Company’s financial statements or shall at the time of appointment undertake training for that purpose. At least one member of the Audit Committee shall in the judgment of the Board be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission. The members of the Audit Committee shall be elected by the Board at its annual meeting and the members shall serve until their successors shall be duly elected and qualified or until their earlier resignation, removal or inability to serve. The Board shall elect new members of the Committee from time to time as it may deem it appropriate to add members or as vacancies shall occur.

3. Authority.

The Audit Committee shall have the authority to retain outside legal, accounting or other consultants to advise the Committee. 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 Committee or to meet with any members of, or consultants to, the Committee. At the discretion of the Audit Committee, such meetings may occur with or without Company management present. The Audit Committee may also meet with the Company’s investment bankers or financial analysts who follow the Company.

4. Meetings.

The Audit Committee is to meet as many times as the Audit Committee deems necessary. Meetings for the consideration of pertinent matters may be requested by the Chief Executive Officer of

the Company, by any member of the Audit Committee or the Board or by request to the Chairperson of the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum at any meeting. The Secretary or an Assistant Secretary of the Company will prepare the minutes of each meeting and send a copy of the minutes to the Audit Committee members and to the members of the Board who are not members of the Audit Committee. The Secretary or such Assistant Secretary of the Company, as applicable, may be excused by the Audit Committee Chairperson from any meeting, or portion thereof, where sensitive matters are discussed, and the Audit Committee Chairperson shall be responsible for ensuring that minutes of that meeting or portion are correctly recorded.

5. Duties and Responsibilities.

The Audit Committee shall be empowered in accordance with its judgment to act in respect of the following:

- a. Retain and evaluate the independent registered public accounting firm to be appointed as independent auditor of the Company, for which the Audit Committee shall have exclusive decision-making authority.
- b. Review the experience and qualifications of the senior members of the independent audit team and the quality control procedures of the independent auditor.
- c. Approve the fees to be paid to the independent auditor for audit services, for which the Audit Committee shall have exclusive decision-making authority, pursuant to the Company's Audit Committee Pre-Approval Policy.
- d. Approve the retention of the independent auditor for any non-audit service and the fee for such service, for which the Audit Committee shall have exclusive decision-making authority, pursuant to the Company's Audit Committee Pre-Approval Policy.
- e. Receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, and consider whether the provision of non-audit services is compatible with maintaining the auditor's independence.
- f. Evaluate the performance of the independent auditor and whether it is appropriate to adopt a policy of rotating independent auditors on a regular basis.
- g. Recommend to the Board guidelines, which may include an absolute ban, on the hiring by the Company of employees of the independent auditor who worked on the Company's account.
- h. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit.
- i. Review and discuss with management: (i) any material financial or non-financial arrangements of the Company that do not appear on the financial statements of the Company; and (ii) any significant transactions or courses of dealing with parties related to the Company.
- j. If the Company is required to file periodic reports under the Securities Exchange Act of 1934, review with management and the independent auditor the Company's quarterly and annual financial statements prior to the filing of its Form 10-Q and 10-K, including the

results of the independent auditor's review of the quarterly financial statements and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" portion of Form 10-Q and 10-K.

- k. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and minimize such exposures.
- l. Review and discuss with management and the independent auditor the Company's annual audited financial statements, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls and disclosure controls that could significantly affect the Company's financial statements.
- m. Review and discuss with management and the independent auditor the financial statements of the Company, including an analysis of the auditor's judgment as to the quality of the Company's accounting principles.
- n. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee or stockholder complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.
- o. Review with the independent auditor any problems or difficulties the independent auditor may have encountered and any management letter provided by the independent auditor and the Company's response to that letter. Such review should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management.
- p. If the Company has a class of equity securities registered under the Securities Exchange Act of 1934, prepare the report required of the audit committee by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
- q. Review and discuss with management and advise the Board with respect to any issues concerning the Company's policies and procedures regarding compliance with applicable laws and regulations that may have a material impact on the Company's financial statements.
- r. Meet at least quarterly with the Company's Chief Financial Officer and the independent auditor in separate executive sessions.
- r. Review with the Company's Chief Legal Officer any legal matters that may have a material impact on the financial statements and the Company's compliance policies.
- t. Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K.
- u. Review and reassess, at least annually, the performance of the Audit Committee and the adequacy of this Charter and make recommendations to the Board, as conditions dictate, to update this Charter.

- v. Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints regarding the Company's accounting, internal controls and auditing matters, for which the Audit Committee shall have exclusive decision-making authority.
- w. At least annually, obtain and review a report by the independent auditor describing (i) the firm's internal quality-control procedures; (ii) 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, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditor and the Company.
- x. Report through its Chairman to the Board following meetings of the Audit Committee.

6. Investigations.

The Audit Committee shall have the authority, but not the obligation, to conduct or authorize investigations into any matters within its scope of responsibilities and shall have the authority to retain outside advisors to assist in the conduct of any investigation.

7. No Responsibility to Conduct Audits.

While the Audit Committee has the responsibilities and the authority set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits, to assure compliance with laws and regulations or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.