

EQUITY ONE, INC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

(ADOPTED AS OF JUNE 5, 2007)

I. PURPOSE

The purpose of Audit Committee (the “**Audit Committee**”) shall be as follows:

1. To oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company.
2. To provide assistance to the Board of Directors with respect to its oversight of:
 - (a) The quality and integrity of the Company’s financial statements;
 - (b) The Company’s compliance with legal and regulatory requirements;
 - (c) The independent auditor’s qualifications and independence; and
 - (d) The performance of the Company’s internal audit function and independent auditors.
3. To prepare the audit committee reports that the Securities and Exchange Commission (the “**SEC**”) rules require (Item 306 of Regulation S-K and such other reports as the SEC may mandate) to be included in the Company’s annual proxy statement or other disclosure documents.

II. STRUCTURE

Composition

The Audit Committee shall consist of three or more members of the Board of Directors, each of whom is determined by the Board of Directors to be “independent” under the rules of the New York Stock Exchange, the Securities Exchange Act of 1934 (the “**Exchange Act**”) and the rules and regulations of the SEC. No member of the Audit Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board of Directors (1) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and (2) discloses such determination in the Company’s annual proxy statement.

Qualifications

All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment) and meet the experience requirements of the rules of the New York Stock Exchange, the Exchange Act and the rules and regulations of the SEC. At least one member must be an “audit committee financial expert” under the requirements of the Exchange Act and the rules and regulations of the SEC, it being understood that there shall not be imposed upon any

member who is designated or identified as an “audit committee financial expert” any duties, obligations or liability that is greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee or the Board of Directors in the absence of such designation or identification. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or by an outside consultant.

Compensation

Subject to further limitations imposed by law, regulation or the rules of the New York Stock Exchange, no member of the Audit Committee shall receive compensation other than (1) director’s fees for service as a director of the Company, including reasonable compensation for serving on the Audit Committee and regular benefits that other directors receive and (2) a pension or similar compensation for past performance, provided that such compensation is not conditioned on continued or future service to the Company.

Appointment and Removal

The members of the Audit Committee shall be appointed by the Board of Directors upon the recommendation of the Nominating and Corporate Governance Committee and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Audit Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

Unless a Chairman is elected by the full Board of Directors, the members of the Audit Committee shall designate a Chairman by the majority vote of the full Audit Committee membership. The Chairman will chair all regular sessions of the Audit Committee and set the agendas for Audit Committee meetings.

III. MEETINGS

The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its goal to foster open communication, the Audit Committee shall periodically meet separately with each of management, those responsible for the internal audit function, if any, and the independent auditors (including in separate executive sessions as the Audit Committee may see fit) to discuss any matters that the Audit Committee or any of these groups believe would be appropriate to discuss privately. In addition, the Audit Committee should meet with the independent auditors and management quarterly to review the Company’s financial statements in a manner consistent with that outlined in this Charter. The Chairman of the Board or any member of the Audit Committee may call meetings of the Audit Committee. All meetings of the Audit Committee may be held telephonically.

All non-management directors who are not members of the Audit Committee may attend meetings of the Audit Committee, but may not vote. In addition, the Audit Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Audit Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

IV. AUTHORITY, DUTIES AND RESPONSIBILITIES

It is the fundamental policy of the Company that the independent auditor of the Company shall report directly to the Audit Committee. Accordingly, the authority, duties and responsibilities of the Audit Committee set forth in this Charter shall be construed in a manner so as to effectuate such policy.

The authority, duties and responsibilities of the Audit Committee described below shall serve as a guide with the understanding that the Audit Committee may determine to carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Audit Committee shall also carry out any other duties and responsibilities delegated to it by the Board of Directors from time to time related to the purposes of the Audit Committee outlined in this Charter. The Audit Committee may perform any functions it deems appropriate under applicable law, rules, or regulations, the Company's by-laws, and the resolutions or other directives of the Board, including review of any certification required to be reviewed in accordance with applicable law or regulations of the SEC.

In discharging its duties, the Audit Committee is empowered to study or investigate any matter of interest or concern that the Audit Committee deems appropriate. Furthermore, in fulfilling its duties, the Audit Committee shall have the authority to retain, without seeking Board approval, outside legal, accounting or other advisors for this purpose, including the authority to approve the terms of retention of, and to cause the Company to pay the fees payable to, such advisors.

The Audit Committee shall be given full access to and shall maintain direct communication with the Company's internal audit group, Board of Directors, corporate executives, and independent accountants as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Audit Committee shall have all the authority of the Board of Directors, except as otherwise limited by applicable law.

In fulfilling its responsibilities, the Audit Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Audit Committee.

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

Documents/Reports Review

1. Discuss with management and the independent auditors prior to public dissemination the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61 and the results of the audit or any quarterly review procedures.
2. Discuss with management and the independent auditors prior to the Company's filing of any quarterly or annual report (a) whether any significant deficiencies in the design or operation of internal controls exist that could adversely affect the Company's ability to record, process, summarize, and report financial data; (b) the existence of any material weaknesses in the Company's internal controls; and (c) the existence of any fraud,

whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

3. Discuss with management and the independent auditors the Company's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee's discussion in this regard may be general in nature (*i.e.*, discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
4. Discuss with management and the independent auditors the Company's major financial risk exposures, off balance sheet arrangements and the guidelines and policies by which risk assessment and management is undertaken, and the steps management has taken to monitor and control risk exposure.

Independent and Internal Auditors

5. Retain and terminate the Company's independent auditors and have the sole authority to approve all audit engagement fees and terms as well as all non-audit engagements with the independent auditors.
6. Inform each public accounting firm performing audit and audit related work for the Company that such firm shall report directly to the Audit Committee.
7. Oversee the work of any public accounting firm employed by the Company for audit or audit related work, including the resolution of any disagreement between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work.
8. Approve in advance any audit or non-audit engagement or relationship between the Company and the independent auditors, other than "prohibited nonaudit services," as may be specified in the Sarbanes-Oxley Act of 2002 or applicable laws or regulations. The Audit Committee may delegate to a subcommittee of one or more members of the Audit Committee the authority to pre-approve audit and permitted non-audit services provided that any such pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting. "Prohibited non-audit services" shall mean those prohibited services set forth in Section 10A(g) of the Exchange Act and the rules and regulations of the SEC thereunder.
9. Review, at least annually, the qualifications, performance, and independence of the independent auditors. In conducting its review and evaluation, the Audit Committee should:
 - (a) At least annually, obtain and review a report by the Company's independent auditor describing (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing 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 auditing firm, and any steps taken to deal with any

such issues; and (iii) to assess the auditor's independence, all relationships between the independent auditor and the Company;

(b) Ensure the rotation of the lead audit partner, concurring audit partners and other audit partners in accordance with the rules and regulations of the SEC; and

(c) Take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function).

10. Satisfy itself as to the professional competency of the director of the internal audit group and the adequacy of his or her staff in discharging the responsibility of the office. Approve management's appointment and replacement of the director of internal audit.
11. Approve with the independent auditors and with the director of internal audit, at a time when the annual audit plan is being developed, the plan's timing, scope, staffing, locations, foreseeable issues, priorities and procedures, the coordination between the independent auditors and the director of internal audit in executing the plan and the engagement team.
12. Review annually the Company's internal auditing program and significant reports with the director of internal audit and corporate management's response and follow-up to those reports.

Financial Reporting Process

13. In consultation with the independent auditors, management, and the internal auditors, review the integrity of the Company's financial reporting processes, both internal and external. In that connection, the Audit Committee should obtain and discuss with management and the independent auditor reports from management and the independent auditor regarding (a) all critical accounting policies and practices to be used by the Company and the related disclosure of those critical accounting policies under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, the ramifications of the use of the alternative disclosures, and treatments, and the treatment preferred by the independent auditor; (c) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (d) major issues as to the adequacy of the Company's internal controls and any specific audit steps adopted in light of material control deficiencies; (e) issues with respect to the design and effectiveness of the Company's disclosure controls and procedures, management's evaluation of those controls and procedures, and any issues relating to such controls and procedures during the most recent reporting period; (f) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the financial statements of the Company; and (g) any other material written communications between the independent auditor and the Company's management including management letters and the schedule of unadjusted differences.

14. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
15. Regularly review with the independent auditor any audit problems or difficulties encountered by the auditor in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management and (b) management's responses to such matters. Without excluding other possibilities, the Audit Committee may wish to review with the independent auditor (i) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement, and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company.
16. Review and discuss with the independent auditor the responsibilities, budget, and staffing of the Company's internal audit function.

Legal Compliance/General

17. Review periodically, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
18. Discuss with management and the independent auditors the Company's guidelines and policies with respect to risk assessment and risk management. The Audit Committee should discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
19. Set clear hiring policies for employees or former employees of the independent auditors. At a minimum, these policies must comply with the rules and regulations of the SEC related to the hiring of former partners, principals, shareholders and professional employees of the independent auditor.
20. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Reports

21. Prepare all reports required to be included in the Company's proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
22. Report regularly to the full Board of Directors. In this regard, the Audit Committee should review with the full board 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. In addition the Audit Committee should report to the full Board of Directors with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

23. The Audit Committee shall provide such recommendations as the Audit Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Audit Committee designated by the Audit Committee to make such report.
24. Maintain minutes or other records of meetings and activities of the Audit Committee.

V. ANNUAL PERFORMANCE EVALUATION

The Audit Committee shall perform a review and evaluation, at least annually, of the performance of the Audit Committee, including by reviewing the compliance of the Audit Committee with this Charter. In addition, the Audit Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Audit Committee considers necessary or valuable. The Audit Committee shall conduct such evaluations and reviews as required by law, regulation and the requirements of the New York Stock Exchange, in such manner as the Audit Committee deems appropriate.

VI. LIMITATION OF AUDIT COMMITTEE'S ROLE

With respect to the foregoing responsibilities and processes, the Audit Committee recognizes that the Company's financial management, including its internal audit staff, as well as the independent auditors have more time, knowledge, and detailed information regarding the Company than do Audit Committee members. Consequently, in discharging its oversight responsibilities, the Audit Committee will not provide or be deemed to provide any expertise or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. Nor is the Audit Committee responsible for certifying the Company's financial statements or guaranteeing the independent auditor's report. These are the responsibilities of management and the independent auditor. It also is not the duty of the Audit Committee to conduct investigations or to assure compliance with laws and regulations and the Company's internal policies and procedures. Finally, the fundamental responsibility for the Company's financial disclosures rests with management and the Company's independent auditors.