

Notes to Consolidated Financial Statements – Continued

CharterMac & Subsidiaries

The following is a table summarizing the maturity dates of our revenue bonds.

<i>(In thousands)</i>	Outstanding Bond Amount	Fair Value	Weighted Average Interest Rate
Due in less than one year	\$ 3,159	\$ 2,969	9.69%
Due between one and five years	30,822	28,463	6.84%
Due after five years	1,796,085	1,839,577	7.03%
Total	\$1,830,066	\$1,871,009	7.03%

All of our revenue bonds have fixed interest rates.

The principal and interest payments on each revenue bond are payable only from the cash flows of the Underlying Properties, including proceeds from a sale of an Underlying Property or the refinancing of the mortgage loan securing such revenue bonds. None of the revenue bonds constitutes a general obligation of any state or local government, agency or authority. The structure of each Mortgage Loan mirrors the structure of the corresponding revenue bond that it secures. In order to protect the tax-exempt status of the revenue bonds, the owners of the Underlying Properties are required to enter into certain agreements to own, manage and operate such Underlying Properties in accordance with requirements of the Internal Revenue Code of 1986, as amended.

No single revenue bond provided interest income that exceeded 10% of our total revenue for the years ended December 31, 2003, 2002 or 2001. Based on the face amount of revenue bonds at December 31, 2003, approximately 29.7% are located in Texas, 11.5% are located in Georgia and 10.3% are located in California. No other state comprises more than 10% of the total face amount at December 31, 2003. Based on the face amount of revenue bonds at December 31, 2002, approximately 29.6% were located in Texas, 12.5% were located in California, and 11.2% were located in Florida. No other state comprised more than 10% of the total face amount at December 31, 2002.

Our revenue bonds bear a fixed base interest rate and, to the extent permitted by existing regulations, may or may not also provide for contingent interest and other features. Terms are expected to be five to 35 years, although we may have the right to cause repayment prior to maturity through a mandatory redemption feature (five to seven years with up to six month's

notice). In some cases, the bonds call for amortization or "sinking fund" payments, generally at the completion of rehabilitation or construction, of principal based on thirty to forty year level debt service amortization schedules.

Revenue bonds are generally not subject to optional prepayment during the first 5-10 years of our ownership of the bonds and may carry prepayment penalties thereafter beginning at 5% of the outstanding principal balance, declining by 1% per annum. Certain revenue bonds may be purchased at a discount from their face value. Up to 15% of our Total Market Value (as defined in its trust agreement) may be invested in revenue bonds secured by Underlying Properties in which affiliates of Related have a controlling interest, equity interest or security interest. The 15% limit is not applicable to properties to which Related or its affiliates have taken title for the benefit of us and only applies to revenue bonds acquired after the Merger. In selected circumstances and generally only in connection with the acquisition of tax-exempt revenue bonds, we may acquire a small amount of taxable bonds (i) which we may be required to acquire in order to satisfy state regulations with respect to the issuance of tax-exempt bonds and (ii) to fund certain costs associated with the issuance of revenue bonds, that under current law cannot be funded by the revenue bond itself.

Certain revenue bonds provide for "participating interest" which is equal to a percentage of net property cash flow of the net sale or refinancing proceeds. Both the stated and participating interest on the revenue bonds are exempt from federal income tax. During the years ended December 31, 2003, 2002 and 2001, participating interest was collected amounting to approximately \$2.0 million, \$3.1 million and \$1.5 million, respectively. Revenue bonds that contain provisions for contingent interest are referred to as "participating"; revenue bonds lacking this provision are "non-participating".