

### General

The costs, expenses and the special distributions paid or payable to Related, prior to our acquisition of Related, its affiliates, and TRCLP for the years ended December 31, 2003, 2002 and 2001 were as follows:

	Paid or Payable to TRCLP	Paid or Payable to Related and Affiliates		
	Nov 18 - Dec 31 2003	Jan 1 - Nov 17 2003	Year Ended December 31, 2002 2001	
<i>(In thousands)</i>				
Bond selection fees	\$ --	\$ 8,905	\$ 11,104	\$ 7,853
Special distribution/Investment management fee	--	3,809	4,872	3,621
Bond servicing fees	--	5,764	3,792	2,535
Expense reimbursement	--	901	768	556
Shared service agreement	755	--	--	--
	\$ 755	\$ 19,379	\$ 20,536	\$ 14,565

### Related Party Transactions

Substantially all of Related's revenues are received from investment funds they have originated and manage. Affiliates of Related maintain a continuing equity interest in the investment funds' general partner and/or managing member/advisor. Related has no direct investments in these general partner and/or managing member/advisor entities, and Related does not guarantee the obligations of the general partner and/or managing member/advisor entities. Related has agreements with these entities under which Related provides ongoing services for the investment funds on behalf of the general partners and/or managing members/advisors, and receives all fee income to which these entities are entitled. Related does not participate in the investment funds' operating income or losses or on gains or losses from property sales.

As of December 31, 2003, the obligors of certain revenue bonds are local partnerships for which the general partners of the controlling investment partnerships are non-equity managing partners controlled by Related.

On November 17, 2003, CCC entered into an agreement with TRCLP for the purpose of TRCLP to provide various services to CCC and any of its affiliates including Related. The services provided include computer support, office management, payroll, human resources and other office services as defined in the agreement. The majority of the services are charged to CCC at 100% of the direct costs incurred by TRCLP.

As of December 31, 2002, the owner of the Underlying Property and obligor of the Highpointe revenue bond was an affiliate of Related who has not made an equity investment. This entity has assumed the day-to-day responsibilities and obligations of the Underlying Property. Buyers are being sought who would make equity investments in the Underlying Property and

assume the nonrecourse obligations for the revenue bond or otherwise buy the property and payoff all or most of the revenue bond obligation.

In December 2001, we completed a credit enhancement transaction with Merrill Lynch Capital Services, Inc. ("MLCS") pursuant to which CM Corp. initially will receive an annual fee of approximately \$1.2 million in return for assuming MLCS's \$46.9 million first loss position on a \$351.9 million pool of tax-exempt weekly variable rate multi-family mortgage loans originated by CreditRe Mortgage Capital, LLC, an affiliate of Credit Suisse First Boston and the Related Companies, L.P. During 2003, two of the tax-exempt weekly variable rate multi-family mortgage loans were repaid in the amount of \$8.9 million. These repayments reduced the first loss position to \$38 million and the pool of multi-family mortgage loans to \$288.6 million. This reduced our maximum exposure under the terms of the transaction to approximately \$19 million.

On April 11, 2000, Relcap Holding Company LLC ("Relcap"), an entity which was formed to hold the excluded assets and liabilities not included with the Related acquisition, entered into an agreement to purchase \$500,000 of the outstanding face amount of the Walnut Park bonds, in \$100,000 increments annually beginning April 1, 2001. Relcap has agreed, pursuant to an Intercreditor Agreement that its right to payment on the purchased bonds is subordinate to the right to payment on the bonds held by our Company.

We have entered into several agreements with an unrelated third party (the "Primary Guarantor") to guarantee agreed-upon internal rates of return for pools of multi-family properties owned by real estate investment funds for which we have received guarantee fees during 2003 totaling approximately \$7.3 million.

Related Management Company ("RMC"), which is wholly