Other Items

(In thousands)	2003	2002	% Change	2001	% Change
	For the Year Ended December 31,				
Equity in earnings of ARCap	$ 2,219	$ 2,219	--	$ 456	386.6%
Gain on sale of loans	$ 5,532	$ 10,683	(48.2)%	$ --	N/A
Gain(loss) on repayment of revenue bonds	$ 1,951	$ 3,885	(49.8)%	$ (912)	N/A
Income allocated to preferred shareholders of subsidiary	$(9,449)	$(17,266)	(45.3)%	$(12,578)	37.2%
Income allocated to special common units	$(4,038)	$ --	--	$ --	--
Loss(income) allocated to minority interest	$ 54	$ (496)	N/A	$ --	--
Benefit(provision) for income taxes	$ 6,072	$ (1,284)	N/A	$ --	--

Gains on sales of loans decreased approximately 48.2% or $5.2 million for the year ended December 31, 2003 versus 2002, due to the decrease in PWF's loan origination activity in 2003 versus 2002.

The total income allocated to preferred shareholders of subsidiary for the year ended December 31, 2003, including the portion reclassified to interest expense, increased approximately $1.6 million as compared to 2002, attributable to the preferred offering consummated on June 4, 2002.

The income allocated to special common units represents the distributions payable to the holders of the SCUs for the period from November 18, 2003 to December 31, 2003.

The change in the benefit (provision) for income taxes results from the receipt of guarantee fee, construction service fees, asset management and partnership management fees which are recognized currently for income tax purpose but earned over the time such services are preformed.

During the year ended December 31, 2002, we recorded a gain on repayment of revenue bonds of approximately $3.9 million versus a loss of approximately $912,000 in 2001, due to differences in the number and size of revenue bonds repaid.

Income allocated to preferred shareholders of subsidiary increased 49.8% or $4.7 million due to preferred offerings consummated on October 9, 2001 and June 4, 2002.

Liquidity and Capital Resources

Short-term liquidity provided by operations comes primarily from interest income from revenue bonds and promissory notes in excess of the related financing costs, mortgage origination and servicing fees, and fund management fees. For the year ended December 31, 2003, we had net cash from operations of approximately $112.1 million. Additionally, we have entered into three revolving warehouse facilities, one, in the amount of $100 million, used by PWF, another, in the amount of $75 million, used by us to fund mortgage loans and investments in revenue bonds on a short term basis and the third in the amount of $85 million used by Related to acquire equity interests in property ownership entities prior to the inclusion of these equity interests into investment funds. The PWF facility is renewable annually, the CharterMac facility matures March 31, 2005, with a one year extension at our option, and the Related facility matures on October 29, 2004.

On November 17, 2003, CM Corp. entered into a $50 million and $10 million acquisition bridge loan facilities with Wachovia Bank in order to fund the cash portion, fees and expenses of our acquisition of Related. These bridge loan facilities have a nine-month term with two 90-day extension options. We have pledged our common ownership interest in Equity Issuer as security under these facilities. The facilities are pre-payable at any time and bear interest at LIBOR plus 1.5% and 2.4%, respectively.

Our long term liquidity needs are met using primarily two sources of capital: collateralized debt securitization and various types of equity offerings. We believe that our financing capacity and cash flow from current operations are adequate to meet our current and projected liquidity requirements. Management is not aware of any trends or events, commitments or uncertainties, which have not otherwise been disclosed that will or are likely to impact liquidity in a material way.