

The Depository Trust Company
IMPORTANT

B#: 2799
DATE: December 17, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Basic Capital Management, Inc.
CUSIP#
2001 Tax Information

The following correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

BASIC CAPITAL MANAGEMENT, INC.

1800 Valley View Lane, Suite 300
Dallas, Texas 75234

December 12, 2001

RE: Final Tax Status for 2001

This is the FINAL tax year 2001 status for 1099s, as requested. No dividends were declared or paid in 2001 by the following companies:

Income Opportunity Realty Investors, Inc. (IOT) (REIT)

Transcontinental Realty Investors, Inc. (TCI) (Corporation)

American Realty Investors, Inc. (ARL) (Corporation)

This information is distributed to NAREIT, Wall St. Concepts and Depository Trust. NAREIT posts REIT tax status information on its web site, www.nareit.com.

If you have further questions, please contact me at the information below.

Phyllis J. Wolper
Director, Investor Relations
(800) 400-6407 (469) 522-4245
investor.relations@bcminc.com