SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
to
SCHEDULE TO
(Rule 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d) (1) OR 13(e) (1)
OF THE SECURITIES EXCHANGE ACT OF 1934

Courtyard by Marriott Limited Partnership
(Name of Subject Company)

CBM I Holdings LLC
CBM Joint Venture LLC
Marriott International, Inc.
MI CBM Investor LLC
Rockledge Hotel Properties, Inc.
(Names of Offerors and Other Persons)

Units of limited partnership interests
(Title of Class of Securities)
None
(CUSIP Number of Class of Securities)

W. Edward Walter
Rockledge Hotel Properties, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
(301) 380-9000

Ward R. Cooper
Marriott International, Inc.
Dept. 52/923.23
10400 Fernwood
Bethesda, Maryland 20817
(301) 380-3000

(Name, Address and Telephone Numbers of Person
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

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[_] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[X] third-party tender offer subject to Rule 14d-1.
[_] issuer tender offer subject to Rule 13e-4.
[_] going-private transaction subject to Rule 13e-3.
[_] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [_]

TENDER OFFER

This Tender Offer Statement on Schedule TO (the "Schedule TO") relates to an offer by CBM I Holdings LLC, a Delaware limited liability company (the "Purchaser") and an indirect, wholly owned subsidiary of CBM Joint Venture LLC (the "Joint Venture"), a Delaware limited liability company that is a joint venture between MI CBM Investor LLC ("MI Investor"), a Delaware limited liability company and a wholly owned indirect subsidiary of Marriott International, Inc., a Delaware corporation ("Marriott International"), and Rockledge Hotel Properties, Inc., a Delaware corporation ("Rockledge") (through wholly owned subsidiaries), to purchase (the "Purchase Offer") all outstanding units of limited partnership interest in Courtyard by Marriott Limited Partnership, a Delaware limited partnership (the "Partnership") other than units owned by the general partner, at $134,130 per unit (or a pro rata portion thereof) in cash, upon the terms and subject to the conditions set forth in the Purchase Offer and Consent Solicitation dated _____, 2000 and the related Proof of Claim, Assignment and Release, copies of which are attached hereto as Exhibits (a) (1) and (a) (2), respectively (which, as amended or supplemented from time to time, are collectively herein referred to as the "Purchase Offer and Consent Solicitation"). The Purchase Offer and the consent solicitation (as described below) are being made pursuant to the terms of a settlement agreement relating to a class action lawsuit brought against the general partner of the Partnership and various other entities. In the Merger, (1) each outstanding unit that has not been tendered in the Purchase Offer (other than units held by the general partner, the Purchaser and holders who elect to opt-out of the Settlement) will be converted into the right to receive $134,130 per unit (or pro rata amount thereof) in cash, and (2) each outstanding unit (or partial unit) held by a holder who elects to opt-out of the Settlement (as defined in the Purchase Offer and Consent Solicitation), will be converted into the right to receive a cash amount equal to the appraised value of such unit (or a pro rata portion thereof), not including any amount representing the value of the claims asserted in the class action litigation and reduced by any amount owed by the holder on the original purchase price of such unit. If the court approves legal fees and expenses of approximately $18,000 per unit to counsel to the class action plaintiffs in the Haas Litigation (as defined in the Purchase Offer and Consent Solicitation), the net amount that each holder that is a class member will receive is approximately $116,000 per unit (or a pro rata portion thereof) (the "Net Settlement Amount"). The Net Settlement Amount to be received by any holder in the Purchase Offer or the Merger (as defined below) will be reduced by any amount owed by the holder on the original purchase price of such unit.

The Purchase Offer and Consent Solicitation also relates to the solicitation by the general partner of the Partnership of consents to a merger of a subsidiary of the Purchaser with and into the Partnership (the "Merger") and to certain amendments to the Partnership's Partnership Agreement.

The information in the Purchase Offer and Consent Solicitation including all schedules and annexes thereto, is hereby expressly incorporated by reference as set forth below.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "Summary Term Sheet" is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Certain Information Concerning the Partnership" is incorporated herein by reference.

(b) The information set forth in the sections of the Purchase Offer and Consent Solicitation captioned "Summary Term Sheet" and "The Written Consents - Record Date and Outstanding Units" is incorporated herein by reference.

(c) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Purchase Offer -- Market for the Partnership's Limited Partnership Units and Related Security Holder Matters" is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Certain Information Concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge" and Schedule I to the Purchase Offer and Consent Solicitation captioned "Directors and Executive Officers of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC" is incorporated herein by reference.

(b) The information set forth in the section of the Purchase Offer and Consent Solicitation and Consent Solicitation captioned "The Settlement -- Certain Information concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge" and Schedule I to the Purchase Offer and Consent Solicitation captioned "Directors and Executive Officers of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC" is incorporated herein by reference.

(c) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Certain Information Concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge" and Schedule I to the Purchase Offer and Consent Solicitation captioned "Directors and Executive Officers of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC" is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a) The information set forth in the sections of the Purchase Offer and Consent Solicitation captioned "Summary Term Sheet," "The Settlement --Purpose and Structure of the Purchase Offer, Merger and Amendments," "The Settlement -- The Merger," "The Settlement -- The Amendments," "The Settlement -- Federal Income Tax Considerations," "The Settlement --Plans for the Partnership; Certain Effects of the Purchase Offer," "The Purchase Offer -- Terms of the Purchase Offer," "The Purchase Offer --Settlement Fund; Acceptance for Payment; Payment for Units," "The Purchase Offer -- Procedures for Accepting the Purchase Offer and Tendering Units," "The Purchase Offer -- Withdrawal Rights," "The Written Consents -- Effective Time of the Merger," "The Written Consents --Effective Time of the Amendments" is incorporated herein by reference.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Certain Transactions with the Partnership," "The Settlement -- Certain Information Concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge" and Schedule I to the Purchase Offer and Consent Solicitation captioned "Directors and Executive Officers of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC" is incorporated herein by reference.

(b) The information set forth in the sections of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Background of the Settlement" and "The Settlement -- Plans for the Partnership; Certain Effects of the Purchase Offer" is incorporated herein by reference.

ITEM 6. PURPOSE OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) and (c) (1) -- (7) The information set forth in the sections of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Background of the Settlement," "The Settlement -- The Merger," "The Settlement -- Plans for the Partnership; Certain Effects of the Purchase Offer" and "The Written Consents -- Rights of Appraisal" is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a), (b) and (d) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Source and Amount of Funds" is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) and (b) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Security Ownership and Certain Beneficial Owners and Management" is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "Other Matters -- Fees and Expenses" is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

(a) The financial statements of the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge are not material to the Purchase Offer.

(b) The pro forma financial statements of the Purchaser, the Joint Venture, Marriott International, MI Investor, and Rockledge are not material to the Purchase Offer.

ITEM 11. ADDITIONAL INFORMATION.

(a) (1) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Background of the Settlement" and "The Settlement -- The Settlement Agreement" is incorporated herein by reference.

(a) (2) - (3) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Regulatory Matters" is incorporated herein by reference.

(a) (4) None

(a) (5) The information set forth in the section of the Purchase Offer and Consent Solicitation captioned "The Settlement -- Background of the Settlement" and "The Settlement -- The Settlement Agreement" is incorporated herein by reference.

(b) The information set forth in the Purchase Offer and Consent Solicitation and the Proof of Claim, Assignment and Release is incorporated herein by reference.

ITEM 12. MATERIALS TO BE FILED AS EXHIBITS.

(a) (1) Purchase Offer and Consent Solicitation dated _____, 2000.

(a) (2) Proof of Claim, Assignment and Release.*

(a) (3) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a) (4) Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a) (5) Guidelines Regarding Taxpayer Identification Number.*
(a) (6) Form of Summary advertisement.
(b) Not applicable.
(c) Not applicable.

(d) (1) Form of Agreement and Plan of Merger by and among the Joint Venture, Merger Sub and the Partnership.
(d) (2) Settlement Agreement dated as of March 9, 2000 among the Milkes Plaintiffs (as defined therein), the Haas Plaintiffs (as defined therein), the Palm and Equity Intervenors (as defined therein) and the Defendants (as defined therein), each by and through their respective counsel of record.

(g) Not applicable.
(h) Not applicable.

_____
* Previously filed.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURES

After due inquiry and to the best knowledge and belief of the undersigned, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: June 29, 2000

CBM I HOLDINGS LLC
By: CBM Joint Venture LLC

By: Rockledge Hotel Properties, Inc.

By: /s/ C. G. Townsend

Name: C.G. Townsend
Title: Vice President

By: MI CBM Investor LLC

By: /s/ C.B. Handlon

Name: Carolyn B. Handlon
Title: Manager and Treasurer

CBM JOINT VENTURE LLC
By: Rockledge Hotel Properties, Inc.

By: /s/ C.G. Townsend

Name: C.G. Townsend
Title: Vice President

By: MI CBM Investor LLC

By: /s/ C.B. Handlon

Name: Carolyn B. Handlon
Title: Manager and Treasurer

MARRIOTT INTERNATIONAL, INC.

By: /s/ C.B. Handlon

Name: Carolyn B. Handlon
Title: Vice President and Treasurer

MI CBM INVESTOR LLC

By: /s/ C. B. Handlon

Name: Carolyn B. Handlon
Title: Manager and Treasurer

ROCKLEDGE HOTEL PROPERTIES, INC.

By: /s/ C.G. Townsend

Name: C.G. Townsend
Title: Vice President

EXHIBIT INDEX

(a) (1) Purchase Offer and Consent Solicitation dated _____, 2000.

(a) (2) Proof of Claim, Assignment and Release.*

(a) (3) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*

(a) (4) Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*

(a) (5) Guidelines Regarding Taxpayer Identification Number.*

(a) (6) Form of Summary advertisement.

(d) (1) Form of Agreement and Plan of Merger by and among the Joint Venture, Merger Sub and the Partnership.

(d) (2) Settlement Agreement dated as of March 9, 2000 among the Milkes Plaintiffs (as defined therein), the Haas Plaintiffs (as defined therein), the Palm and Equity Intervenors (as defined therein) and the Defendants (as defined therein), each by and through their respective counsel of record.

_____

* Previously filed.

Offer to Purchase for Cash Exhibit (a)(1)

All Outstanding Units of Limited Partnership Interest in
COURTYARD BY MARRIOTT LIMITED PARTNERSHIP
for
$134,130 Per Unit (or a Net Amount per Unit of Approximately
$116,000 after Payment of Court-Awarded Attorneys' Fees)
by
CBM I HOLDINGS LLC,
a wholly owned indirect subsidiary of
CBM JOINT VENTURE LLC,
a joint venture between
MI CBM INVESTOR LLC (a wholly owned indirect subsidiary of
MARRIOTT INTERNATIONAL, INC.) and
ROCKLEDGE HOTEL PROPERTIES, INC. (through wholly owned subsidiaries)
and
Solicitation of Consents to a Merger and Amendments to the Partnership Agreement

_____

- ---

THE PURCHASE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON _____, 2000, UNLESS THE PURCHASE OFFER IS EXTENDED (AS SO EXTENDED, THE "EXPIRATION DATE").

- ---

_____

This Purchase Offer and Consent Solicitation and the related proof of claim, assignment and release (the "Proof of Claim") is being furnished to holders ("Unitholders") of units of limited partnership interest ("Units") in Courtyard by Marriott Limited Partnership (the "Partnership") pursuant to the terms of a settlement agreement (the "Settlement Agreement") relating to the settlement (the "Settlement") of class action litigation described herein. Pursuant to the terms of the Settlement, CBM I Holdings LLC (the "Purchaser") is offering to purchase (the "Purchase Offer") all outstanding Units (other than Units held by the General Partner) and the General Partner of the Partnership is soliciting consents to the merger of a subsidiary of the Purchaser into the Partnership (the "Merger") pursuant to an agreement and plan of merger (the "Merger Agreement") and to certain amendments (the "Amendments") to the Partnership's partnership agreement (the "Partnership Agreement"). The Purchaser will purchase all Units tendered prior to the Expiration Date for $134,130 per Unit (or a pro rata portion thereof) in cash. If the Court approves legal fees and expenses of approximately $18,000 per Unit to counsel to the class action plaintiffs in the Haas Litigation (as defined herein), the net amount that each holder that is a class member will receive is approximately $116,000 per Unit (or a pro rata portion thereof). The amount to be received by any holder in the Purchase Offer will be reduced by any amount owed by the holder on the original purchase price of such Unit.

The Merger will be consummated immediately after the purchase of the Units pursuant to the Purchase Offer. In the Merger, each outstanding Unit that has not been tendered in the Purchase Offer (other than Units held by the General Partner, the Purchaser and holders who elect to opt-out of the Settlement) will be converted into the right to receive $134,130 per Unit (or a pro rata amount thereof) in cash. If the Court approves legal fees and expenses of approximately $18,000 per unit to counsel to the class action plaintiffs in the Haas Litigation, the net amount that each holder that is a class member will receive is approximately $116,000 per Unit (or a pro rata portion thereof). The amount to be received by any holder in the Merger will be reduced by any amount owed by the holder on the original purchase price of such Unit. In addition, in the Merger, each outstanding Unit (or partial Unit) held by a holder who has elected to opt-out of the Settlement will be converted into the right to receive a cash amount equal to the appraised value of such Unit (or a pro rata portion thereof), not including any amount relating to the value

of the settlement of claims asserted in the class action litigation, and reduced by any amount owed by the holder on the original purchase price of such Unit.

The Settlement will not be consummated unless the Court approves the fairness of the Settlement (including the terms and conditions of the Purchase Offer, the Merger and the Amendments) at a hearing at which Unitholders who have not opted-out of the Settlement and who have timely filed the proper documents with the Court have the right to appear. See the "Notice of Pendency and Settlement of Claim and Derivative Action Related to Courtyard by Marriott LP and Final Approval Hearing" which is being distributed by counsel to the class action plaintiffs with this Purchase Offer and Consent Solicitation, for a description of the procedures that must be followed in order to appear at the hearing.

A Special Litigation Committee appointed for the Partnership by the General Partner has determined that the terms of the Settlement (1) are fair and reasonable to the Partnership (which the Special Litigation Committee considers, as a practical matter, to have an identity of interest with the limited partners with respect to the derivative claims in the Haas Litigation), and (2) include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of the Partnership in the Litigation. Counsel for the class action plaintiffs recommends that the class action plaintiffs approve the Settlement by tendering their Units and consenting to the Merger and the Amendments.

The General Partner of the Partnership makes no recommendation to any unitholder as to whether to tender or to refrain from tendering Units or as to whether to vote for or against the Merger or the Amendments. The General Partner is a defendant in the Litigation and, therefore, has a conflict of interest with respect to the Purchase Offer, the Merger and the Amendments. The Purchaser is an indirect wholly owned subsidiary of CBM Joint Venture, LLC (the "Joint Venture"), a Delaware limited liability company and a joint venture between MI CBM Investor LLC ("MI Investor") a wholly owned indirect subsidiary of Marriott International, and Rockledge Hotel Properties, Inc. ("Rockledge") (through wholly owned subsidiaries). Rockledge currently owns a 99% non-managing interest in the General Partner. Host Marriott LP ("Host LP"), which owns the 1% managing interest in the General Partner, also owns a 95% non-voting interest in Rockledge. Host Marriott Corporation ("Host Marriott") owns approximately 78% of the equity interests in Host LP. Marriott International currently does not own an interest in either Host Marriott, Rockledge or the General Partner, but one of Marriott International's subsidiaries is the manager of the hotels owned by the Partnership. In

addition, two individuals who serve on the board of directors of Host Marriott also serve on the board of directors of Marriott International.

In addition to Court approval, consummation of the Purchase Offer and the Merger is conditioned upon, among other things, (1) not more than ten percent of the units of limited partnership interests of each of the partnerships involved in the Settlement (other than units held by the persons named as insiders in the Settlement Agreement (the "Insiders")) being held by holders who have elected to opt-out of the Settlement (which condition may be waived by the Purchaser) and (2) prior to the Expiration Date, the holders of a majority of the outstanding Units (other than Units held by the General Partner and other affiliates) having submitted valid written consents to the Merger and to the Amendments.

This Purchase Offer and Consent Solicitation is dated _____, 2000 and is being mailed to Unitholders on or about _____, 2000.

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Schedule I - Directors and Executive Officers of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC

Schedule II - Directors and Executive Officers of CBM One LLC

SUMMARY TERM SHEET

We urge you to read carefully this purchase offer and consent solicitation, particularly the matters discussed under the heading "The Settlement," before deciding whether to tender or refrain from tendering your units of limited partnership interest in Courtyard by Marriott Limited Partnership and whether to vote for or against the merger and the amendments to the partnership agreement described below. The following is a summary of information contained in this purchase offer and consent solicitation. The summary is not intended to be complete, and you should read carefully this entire purchase offer and consent solicitation and the related proof of claim, assignment and release, consent form and the other documents to which we have referred you. In particular, you should read the information contained under the heading "Special Considerations." The purchase offer and consent solicitation, together with the proof of claim, assignment and release, are referred to herein as the "Purchase Offer and Consent Solicitation."

The term the "general partner" as used in this purchase offer and consent solicitation refers to CBM One LLC, the general partner of Courtyard by Marriott Limited Partnership. The terms "we", "our" and the "purchaser" as used in this purchase offer and consent solicitation refer to CBM I Holdings LLC, a wholly owned indirect subsidiary of CBM Joint Venture LLC, or the "joint venture," which is a joint venture between MI CBM Investor LLC, or "MI Investor," a wholly owned indirect subsidiary of Marriott International, Inc., or "Marriott International," and Rockledge Hotel Properties, Inc., or "Rockledge" (through wholly owned subsidiaries).

WHY ARE YOU MAKING THIS PURCHASE OFFER AND CONSENT SOLICITATION?

This purchase offer and consent solicitation is being made pursuant to the terms of a settlement agreement relating to a class action lawsuit brought against the general partner, Marriott International, Host Marriott, various related entities and others. The settlement relates to litigation involving Courtyard by Marriott Limited Partnership and six other limited partnerships, including Courtyard by Marriott II Limited Partnership. The settlement provides for a purchase offer, followed by a merger, and amendments to the partnership agreement as described in this purchase offer and consent solicitation. See "The Settlement -- Background of the Settlement," pages 12 through 15.

WHO IS OFFERING TO BUY MY UNITS?

Our name is CBM I Holdings LLC. We are a wholly owned indirect subsidiary of the joint venture and were organized for the sole purpose of making the purchase offer. The joint venture is a joint venture between MI Investor, a subsidiary of Marriott International, and Rockledge (through wholly owned subsidiaries). See "The Settlement -- Certain Information Concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge," pages 21 through 23.

WHAT CLASSES AND AMOUNTS OF SECURITIES ARE YOU SEEKING IN THE OFFER?

We are offering to purchase all outstanding units of limited partnership interest in Courtyard by Marriott Limited Partnership other than units owned by the general partner.

HOW MUCH ARE YOU OFFERING TO PAY FOR MY SECURITIES AND WHAT IS THE FORM OF PAYMENT?

We are offering to pay $134,130 per unit (or a pro rata portion thereof) in cash to purchase each unit, settle the Haas litigation and obtain a release of all claims in the Haas litigation. If the court approves legal fees and expenses of approximately $18,000 per unit to counsel to the class action plaintiffs in the Haas litigation, the net amount that each holder that is a class member will receive is approximately $116,000 per unit (or a pro rata portion thereof). This amount will be reduced by any amount owed by the holder on the original purchase price of such unit. The aggregate amount we are offering to pay for all outstanding units (other than the 15 units held by the general partner) is $152,237,550. See "The Settlement -- The Settlement Agreement," pages 15 through 17.

WHAT WILL I RECEIVE IF I PURCHASED A UNIT FROM A CLASS MEMBER, BUT DID NOT OBTAIN AN ASSIGNMENT OF LITIGATION CLAIMS FROM THAT CLASS MEMBER?

If you purchased a unit from a class member without obtaining an assignment of that class member's litigation claims, the purchaser will still pay $134,130 for each unit that you tender in the purchase offer or that is converted in the merger. However, this amount represents not only the value of your units, but also the value of the settlement of the claims asserted in the Haas litigation. Accordingly, the $134,130 per unit (or a net amount per unit of approximately $116,000 after payment of court awarded legal fees and expenses to counsel to the class action plaintiffs of approximately $18,000 per unit), or a pro rata portion thereof will have to be divided between you and the class member from whom you purchased the unit. If you are unable to agree on how the money should be divided, the division will be made by a special master appointed by the court. Payment for the units will be made by deposit of the purchase price with Chase Bank of Texas, N.A., which has been retained by counsel to the class action plaintiffs as escrow agent. The defendants in the litigation have no responsibility for or liability whatsoever with respect to the distribution of the settlement funds, or the determination or payment of claims.

DO YOU HAVE THE FINANCIAL RESOURCES TO MAKE PAYMENT?

We will need approximately $_____ million to purchase all of the units pursuant to the purchase offer, to consummate the merger and to pay related fees and expenses. We will obtain the funds indirectly from Marriott International and Rockledge. See "The Settlement -- Source and Amount of Funds," page 23.

IS YOUR FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER IN THE OFFER?

Because the form of payment consists solely of cash and the purchase offer is not conditioned on our ability to obtain financing, we do not think our financial condition is relevant to your decision as to whether to tender in the purchase offer or consent to the merger. Our obligations in connection with the purchase offer and the merger are guaranteed by Marriott International and Host Marriott. See "The Settlement -- Source and Amount of Funds," page 23.

HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER IN THE PURCHASE OFFER?

You will have at least until 12:00 midnight, New York City time, on _____, 2000 to decide whether to tender your units in the purchase offer. See "The Purchase Offer -- Terms of the Purchase Offer," pages 48 and 49.

CAN THE PURCHASE OFFER BE EXTENDED?

Yes. We can elect to extend the purchase offer at any time. See "The Purchase Offer -- Terms of the Purchase Offer," pages 48 and 49.

HOW WILL I BE NOTIFIED IF THE PURCHASE OFFER IS EXTENDED?

If the purchase offer is extended we will issue a press release announcing the extension no later than 9:00 a.m., New York City time, on the next business day after the day the purchase offer was scheduled to expire. See "The Purchase Offer -- Terms of the Purchase Offer," pages 48 and 49.

HOW DO I TENDER MY UNITS?

To tender all or any portion of your units, you must either (1) complete and sign the BLUE proof of claim, assignment and release (or a facsimile thereof) and mail or deliver it and any other required documents to GEMISYS Corporation, which has been retained by counsel to the class action plaintiffs to serve as claims administrator, at the address set forth on the back cover of this purchase offer and consent solicitation, or (2) if your units are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such nominee and instruct it to tender your units. See "The Purchase Offer -- Procedures for Accepting the Purchase Offer and Tendering Units," pages 66 and 67. However, tendering your units does not in itself constitute your consent to the merger and the amendments to the partnership agreement. You can only consent to the merger and the amendments by completing and returning the enclosed GREEN consent form.

WHAT ARE THE SIGNIFICANT CONDITIONS TO THE PURCHASE OFFER AND THE MERGER?

The consummation of the purchase offer and the merger is subject to a number of conditions, including:

(1) the order of the court approving the terms of the settlement and the dismissal of the litigation shall have become final (other than by reason of an appeal relating solely to counsel fees and expenses),

(2) not more than 10% of the units of limited partnership interests in each of Courtyard by Marriott Limited Partnership and each of the other six limited partnerships involved in the settlement (other than units held by persons named as insiders in the settlement agreement) shall be held by holders who have elected to "opt-out" of the settlement, and

(3) holders of a majority of the units in each of Courtyard by Marriott Limited Partnership and Courtyard by Marriott II Limited Partnership (other than affiliates of these partnerships) shall have approved each partnership's merger and amendments to each partnership's partnership agreement.

We have the right to waive condition (2) above in our sole discretion. However, conditions (1) and (3) cannot be waived. Accordingly, if conditions (1) and (3) were to be satisfied and we were to waive condition (2), the purchase offer and merger would still be consummated. See "The Settlement -- Conditions of the Purchase Offer and the Merger," page 19.

WHEN WILL I RECEIVE PAYMENT FOR MY UNITS IF I TENDER?

The court will hold a hearing for approval of the settlement once all conditions to consummating the purchase offer and the merger, other than condition (1) above, have been satisfied. Within seven business days after the judgment order approving the terms of the settlement and the dismissal of the litigation becomes final, the escrow agent will distribute to each unitholder who has submitted a valid proof of claim prior to such date the funds to which such holder is entitled. See "The Purchase Offer -- Settlement Fund; Acceptance for Payment; Payment for Units," pages 49 and 50.

MUST I SUBMIT A PROOF OF CLAIM TO RECEIVE FUNDS IN THE SETTLEMENT?

Yes. No unitholder will be entitled to receive any funds from the settlement until a valid proof of claim is submitted, whether before or after the judgment order becomes final. However, if you have not submitted a valid proof of claim within 90 days of the date a judgment order approving the settlement becomes final and you have not opted-out of the settlement, then the counsel to the class action plaintiffs will execute a proof of claim on your behalf. See "The Purchase Offer -- Procedures for Accepting the Purchase Offer and Tendering Units," pages 50 through 52.

HOW DO I WITHDRAW PREVIOUSLY TENDERED UNITS?

You may withdraw units that you have tendered at any time prior to the expiration date. To withdraw units, you must deliver a written notice to the claims administrator prior to the expiration of the purchase offer at the address set forth on the back cover of this purchase offer and consent solicitation. For more information on your withdrawal rights, see "The Purchase Offer--Withdrawal Rights," page 52. If the settlement agreement terminates without the settlement becoming final, then all of your tendered units will be returned.

WHO HAS DETERMINED THAT THE TERMS OF THE SETTLEMENT ARE FAIR?

Counsel to the class action plaintiffs recommends that the class action plaintiffs approve the settlement by tendering their units in the purchase offer and consenting to the merger and the amendments. The special litigation committee appointed for Courtyard by Marriott Limited Partnership by the general partner has determined that the terms of the settlement (1) are fair and reasonable to the partnership (which the special litigation committee considers, as a practical matter, to have an identity of interest with the limited partners with respect to the derivative claims in the Haas Litigation) and (2) include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of Courtyard by Marriott Limited Partnership in the litigation. See "The Settlement -- Recommendation of the Special Litigation Committee and Counsel to the Class Action Plaintiffs," pages 17 and 18.

HOW DO I OPT-OUT OF THE SETTLEMENT?

If you do not wish to participate in the settlement, you may exclude yourself from the settlement class by submitting an opt-out notice, no later than the expiration date, to the claims administrator. The opt-out notice must contain the information described under the heading "The Settlement-Procedures for Opting-Out of the Settlement," page

27. In addition, you should complete, execute and include with your opt-out notice the certificate of non-foreign status included in the proof of claim. If you do not timely and validly submit an opt-out notice, you will be bound by all orders and judgments entered in the litigation, whether favorable or unfavorable to you.

DO I HAVE THE RIGHT TO APPEAR AT THE FINAL COURT HEARING?

Unitholders who have not opted-out of the settlement have the right to appear at the final court hearing to be held on August 28, 2000, if they follow the procedures described under the heading "The Settlement - Final Court Hearing and Right to Appear" on pages 25 through 27. The settlement will not be consummated unless the court approves the fairness of the settlement (including the terms and conditions of the purchase offer, the merger and the amendments) at the final hearing.

WHY IS THE GENERAL PARTNER SOLICITING CONSENTS?

The general partner is soliciting the consents of the limited partners pursuant to the terms of the settlement agreement. If the merger and the amendments to the partnership agreement are not approved by limited partners holding a majority of the outstanding units (excluding units held by the general partner and its affiliates), the settlement agreement will not be consummated and the purchaser will not be obligated to purchase the units. See "The Settlement -- Conditions of the Purchase Offer and the Merger," page 19.

WHAT WILL HAPPEN IN THE MERGER?

The terms of the settlement agreement provide for the merger of CBM II Acquisition, L.P., a subsidiary of the purchaser, with and into Courtyard by Marriott Limited Partnership immediately after the consummation of the purchase offer. Courtyard by Marriott Limited Partnership will be the surviving entity in the merger.

In the merger:

- each outstanding unit that has not been tendered in the purchase offer (other than units held by the general partner, the purchaser and holders who have elected to opt-out of the settlement) will be converted into the right to receive $134,130 per unit (or a pro rata portion thereof) in cash. If the court approves legal fees and expenses of approximately $18,000 per unit to counsel to the class action plaintiffs in the Haas litigation, the net amount that each holder that is a class member will receive is approximately $116,000 per unit (or a pro rata portion thereof); and

- each outstanding unit held by a unitholder who has elected to opt-out of the settlement will be converted into the right to receive a cash amount equal to the appraised value of such unit (or a pro rata portion thereof). The appraised value will not include any amount representing the value of the settlement of the claims asserted in the Haas litigation.

Any amount to be received by any holder in the merger will be reduced by any amount owed by the holder on the original purchase price of his or her units. See "The Settlement -- The Merger," pages 27 through 29.

WHAT ARE THE PROPOSED AMENDMENTS TO THE PARTNERSHIP AGREEMENT?

The proposed amendments to the partnership agreement are intended to clarify that the terms of the settlement agreement (including the purchase offer and the merger) are consistent with the provisions of the partnership agreement and to facilitate the consummation of the purchase offer and the merger.

The amendments to the partnership agreement will not be implemented if, for any reason, the purchase offer is not consummated, even if the amendments receive the requisite approval. The proposed amendments are described in detail under the heading "The Settlement -- The Amendments," pages 29 through 34.

WHO IS ENTITLED TO VOTE ON THE MERGER AND THE PROPOSED AMENDMENTS TO THE PARTNERSHIP AGREEMENT?

You are entitled to vote on the merger and the proposed amendments to the partnership agreement if you owned units on _____, 2000 and have been admitted as a limited partner, except that if you are in default with respect to the original purchase price of your units, you are not entitled to vote with respect to such units. See "The Written Consents -- Record Date and Outstanding Units," page 54.

HOW DO I CONSENT TO THE MERGER AND THE PROPOSED AMENDMENTS?

If you wish to consent to the merger and the amendments, you should complete, sign, date and return the GREEN consent form to the claims administrator in the enclosed envelope with pre-paid postage. Your vote on these matters is very important. Your failure to return the enclosed consent form will have the same effect as not consenting to the merger and the amendments and, therefore, will constitute a vote against the settlement. Tendering your units by submitting a proof of claim does not in itself constitute your consent to the merger and the amendments. See "The Written Consents -- Voting and Revocation of Consents," pages 54 and 55.

HOW DO I REVOKE MY CONSENT?

You may revoke your executed and returned consent form at any time prior to the expiration date by delivering to the claims administrator a signed and dated written notice stating that your consent is revoked. After the expiration date, all consents previously executed and delivered and not revoked shall become irrevocable. See "The Written Consents - Voting and Revocation of Consents," pages 54 and 55.

HOW LONG DO I HAVE TO CONSENT?

You may submit your signed consent form now. In order for your consent form to be accepted, it must be received by the claims administrator no later than 12:00 midnight, New York City time, on _____, 2000, unless the expiration date of the purchase offer is extended, in which case the new expiration date will be the last date on which your consent form will be accepted. See "The Written Consents - Solicitation Period," page 54.

WHAT HAPPENS IF I DON'T TENDER MY UNITS IN THE PURCHASE OFFER AND I VOTE AGAINST THE MERGER AND THE AMENDMENTS, BUT THE MERGER AND AMENDMENTS NEVERTHELESS RECEIVE THE REQUIRED UNITHOLDER APPROVAL?

Whether or not you tender your units in the purchase offer or vote against the merger and the amendments, if the merger and amendments receive the approval of unitholders holding a majority of the outstanding units, and the

other conditions to the purchase offer and the merger are satisfied, (or waived, if waivable) the purchase offer and merger will be consummated. If you did not consent to the merger and the amendments, and you did not tender your units in the purchase offer, you will be cashed out in the merger at the purchase offer price less attorneys' fees and expenses, unless you have opted-out of the settlement by following the procedures described under "The Settlement--Procedures for Opting-Out of the Settlement" on page 27, in which case you will receive the appraised value of your units.

WHAT MATERIAL FEDERAL INCOME TAX CONSIDERATIONS SHOULD I CONSIDER IN CONNECTION WITH THE SETTLEMENT, THE PURCHASE OFFER AND THE MERGER?

Participating Unitholders. If you tender your units and submit the required proof of claim to the claims administrator under the terms of the purchase offer or if you do not tender your units but do not affirmatively "opt-out" of the settlement (in either case, you will be a "participating unitholder"), you very likely will be deemed to have received, solely for federal income tax purposes, either in the purchase offer or pursuant to the merger, two separate amounts on a per unit basis: (1) an amount in exchange for your units, and (2) an amount in settlement of the claims asserted in the litigation. None of the defendants in the litigation, the bidders, nor any of their affiliates are taking any position, for federal income tax purposes, regarding the allocation by the participating unitholders of the cash payment between the amount received in consideration for the units and the amount received in settlement of the claims. If the sum of the portion of the cash payment from the purchaser that is properly allocable to the purchase of your units (which amount will be deemed to include any amount owed by you on the original purchase price of your units) plus your share of the partnership's nonrecourse liabilities exceeds your adjusted tax basis in your units, you will recognize gain, all of which (subject to a possible exception described below under "Federal Income Tax Considerations --Federal Income Tax Rates Applicable to Gain from Disposition of Units by Participating and Nonparticipating Unitholders") will be treated as capital gain taxable at applicable capital gain rates (including the 25% rate applicable to your share of the "unrecaptured Section 1250 gain" of the partnership). It is not clear how the portion of the cash payment that is properly allocable to the settlement of the claims in the litigation will be characterized and whether that payment will cause you to recognize capital gain or ordinary income. You might be required to include in income your share of the legal fees and expenses paid to counsel for the class action plaintiffs in the litigation. You might be able to deduct all or a

portion of such deemed payment of legal fees and expenses (subject to various limitations) or otherwise reduce a portion of the gain that you would have recognized upon receiving the offer consideration from the purchaser.

Nonparticipating Unitholders. If you affirmatively "opt-out" of the settlement (so that we refer to you as a "nonparticipating unitholder"), you will be treated as having made a taxable disposition of your units pursuant to the merger, which disposition would be deemed to occur on the effective date of the merger. If the sum of the cash payment received in respect of your units (which amount will be deemed to include any amount owed by you on the original purchase price of your units) plus your share of the partnership's nonrecourse liabilities exceeds your adjusted tax basis in your units, you will recognize gain, all of which (subject to a possible exception described below under "Federal Income Tax Considerations -- Federal Income Tax Rates Applicable to Gain from Disposition of Units by Participating and Nonparticipating Unitholders") will be treated as capital gain taxable at applicable capital gain rates (including the 25% rate applicable to your share of the "unrecaptured Section 1250 gain" of the partnership).

Federal Tax Withholding Applicable to Participating and Nonparticipating Unitholders. Even if you choose not to return the rest of the proof of claim, you should return the Certificate of Non-Foreign Status to prevent federal income tax withholding on the amounts payable to you pursuant to the settlement. See "The Settlement -- Federal Income Tax. Considerations" pages 34 through 41.

See "Federal Income Tax Considerations," on page 34, for a detailed description of the material federal income tax considerations relevant to unitholders as a result of the settlement, the purchase offer and the merger.

WHAT WILL BE THE CONSEQUENCES TO THE PARTNERSHIP OF THE PURCHASE OFFER AND THE MERGER?

The joint venture, through its subsidiaries and, therefore, its equity owners would own 100% of the equity interests in Courtyard by Marriott Limited Partnership and would solely have the benefit or detriment of any change in the partnership's value and would receive all distributions, if any, with respect to the partnership's operations. Although Courtyard by Marriott Limited Partnership would become privately held and would no longer be subject to the reporting requirements of the Securities Exchange Act of 1934, it will be required to continue filing periodic reports with the SEC under the terms of its senior notes. See "The Settlement -- Plans for the Partnership; Certain Effects of the Purchase Offer," pages 19 and 20.

TO WHOM MAY I SPEAK IF I HAVE QUESTIONS ABOUT THE PURCHASE OFFER OR THE CONSENT SOLICITATION?

Counsel to the class action plaintiffs has retained GEMISYS Corporation as the claims administrator to answer your questions regarding completion of the proof of claim and consent form and to provide you with additional copies of this purchase offer and consent solicitation, the proof of claim, the consent form, and other related materials. The telephone number of GEMISYS is (800) 326-8222. Because we or our affiliates are defendants in the lawsuit, the Purchaser, the joint venture, MI Investor, Marriott International and the general partner and its affiliates are prohibited from discussing the settlement with you. You are encouraged to call David Berg or Jim Moriarty, counsel to the class action plaintiffs, if you have questions regarding the terms of the settlement. Mr. Berg's telephone number is (713) 529-5622 and Mr. Moriarty's telephone number is (713) 528-0700.

SPECIAL CONSIDERATIONS

Before deciding whether or not to tender any of your Units in the Purchase Offer or whether to consent to the Merger or the Amendments, you should carefully consider the following factors.

. Determination of the Purchase Offer Price; No Fairness Opinion from a Third Party

The purchase offer price was determined in extensive arms-length negotiations among the defendants in the Litigation, the class action plaintiffs, Palm Investors, LLC, several Equity Resource Funds, and the special litigation committee appointed for the Partnership by the General Partner (the "Special Litigation Committee"). See "The Settlement -- Background of the Settlement." The Partnership did not request or obtain an opinion from a third party regarding the fairness of the purchase offer price from a financial point of view and the General Partner, as a result of a conflict of interest, makes no recommendation to Unitholders as to whether to tender their Units or consent to the Merger and the Amendments. However, the Special Litigation Committee has determined that the terms of the Settlement (1) are fair and reasonable to the Partnership (which the Special Litigation Committee considers, as a practical matter, to have an identity of interest with the limited partners with respect to the derivative claims in the Haas Litigation) and (2) include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of the Partnership in the Haas Litigation. In addition, counsel to the class action plaintiffs in the Haas Litigation ("Class Counsel") recommends that the class action plaintiffs approve the Settlement by tendering their Units in the Purchase Offer and consenting to the Merger and the Amendments. It should be noted that Class Counsel represents the class action plaintiffs on a contingency fee basis and has advised the Partnership that it intends to request the Court for an award of attorneys' fees and reimbursement of expenses of approximately $18,000 per Unit. If the Court approves this request, Class Counsel will receive approximately $18,000 for each Unit that is tendered in the Purchase Offer or converted in the Merger. However, Class Counsel will not be awarded any attorneys' fees or reimbursement of expenses with respect to Units held by limited partners who have elected to opt-out of the Settlement. Finally, it is a condition of consummation of the Purchase Offer and the Merger that the Court approve the fairness of the settlement for class members.

. Lack of Trading Market; The Purchase Offer Price may differ from the Market Value of the Units

There is currently no established public trading market for the Units, nor is there another reliable standard for determining the fair market value of the Units. The Purchase Offer and the Merger afford Unitholders an opportunity to dispose of their Units for cash, which alternative otherwise might not be available to them currently or in the foreseeable future. However, the purchase offer price may be higher or lower than the price that could be obtained in the open market. Although the purchase offer price includes an amount representing the value of the settlement of the claims asserted in the Haas Litigation, any amounts awarded by the Court to Class Counsel as attorneys' fees and expenses (not to exceed approximately $18,000 per Unit), will be subtracted from the total amount that Unitholders (other than Unitholders who have opted-out of the Settlement) will receive in the Purchase Offer or the Merger.

. The Appraised Value of Units may be higher or lower than the Net Settlement Amount

Unitholders who elect to opt-out of the Settlement will receive the appraised value of their Units in the Merger. The appraised value of Units may be lower or higher than the Net Settlement Amount that Unitholders who do not opt-out of the settlement will receive in the Purchase Offer or the Merger (assuming all conditions to the Purchase Offer and the Merger are satisfied or waived, if waivable). If you opt-out of the Settlement, the amount you will receive in the Merger will not include any amount representing the value of the settlement of the claims asserted against the Defendants in the Haas Litigation and will include no deductions for attorneys' fees and expenses.

. Purchase Offer Price May Not Represent Liquidation Value of the Units. Accordingly, Opting-Out of the Settlement Class and not consenting to the Merger and Amendments May Result in Greater Future Value

The purchase offer price may be more or less than the net proceeds that would be realized if the Partnership were liquidated. If the purchase offer price per Unit is lower than the final per Unit liquidation value, the Purchaser and General Partner would benefit upon the liquidation of the Partnership from the spread between the purchase offer price for the tendered Units that are acquired in the Purchase Offer and the Merger and the amount the Purchaser and General Partner would receive in such liquidation. Accordingly, Unitholders may ultimately receive a greater return on their investment if the Settlement (including the Purchase Offer and the Merger) is not consummated and Unitholders will continue holding their Units. If less than a majority of the outstanding Units consent to the Merger and the Amendments, the Settlement will not be consummated.

. Conflicts of Interest with Respect to the Purchase Offer; No General Partner Recommendation

The General Partner is a defendant in the Haas Litigation and, therefore, has a conflict of interest with respect to the Purchase Offer, the Merger and the Amendments. The General Partner makes no recommendation to any Unitholder as to whether to tender or refrain from tendering Units or as to whether to vote for or against the Merger or the Amendments. You must make your own decision whether or not to opt-out of the Settlement, based upon a number of factors, including several factors that may be personal to you, such as your financial position, your need or desire for liquidity, your preferences regarding the timing of when you might wish to sell your Units, other financial opportunities available to you, and your tax position and the tax consequences to you of selling your Units.

. Material Federal Income Tax Considerations in Connection with the Purchase Offer and the Merger

If the Purchase Offer and the Merger occur, the receipt of cash by you under the terms of the Settlement Agreement will constitute a taxable transaction. You will recognize taxable gain to the extent that the amount that you are deemed to receive exceeds your tax basis in your Units. The amount that you will be deemed to receive will be the sum of the cash amount received by you (which will be deemed to include any amount owed by you on the original purchase price of your Units plus your share of the Partnership's nonrecourse liabilities (and, if you do not affirmatively "opt out" of the settlement) may also include all or a part of your portion of the legal fees paid to Class Counsel). If you do not affirmatively "opt-out" of the Settlement, portion of the amount that you are deemed to receive in the Settlement very likely will be considered to be attributable to the settlement of the claims asserted in the Litigation, all or a portion of

which may be taxed at the ordinary income tax rate applicable to you. The remaining portion of your taxable gain will be taxed at applicable capital gain tax rates (including the 25% rate applicable to your share of the "unrecaptured Section 1250 gain" of the Partnership).

. Loss of Future Distributions from the Partnership

After consummation of the Purchase Offer and the Merger (assuming all conditions to the Purchase Offer and the Merger are satisfied or waived, if waivable), the Joint Venture will hold all right, title and interest in and to all of the limited partnership interests in the Partnership, as well as the right to receive any cash dividends, distributions, rights, and other securities issued or issuable in respect thereof. You will not receive any future distributions from operating cash flow of the Partnership or upon a sale or refinancing of properties owned by the Partnership for any Units that the Purchaser acquires from you in the Purchase Offer or the Merger. We cannot predict what the future performance of the Partnership will be. Therefore, retaining the ownership of your Units may be more beneficial to you.

. Proxies become Irrevocable after Expiration Date; Potential Delay in Payment

Units tendered pursuant to the Purchase Offer may be withdrawn at any time on or prior to the Expiration Date and, unless accepted for payment by the Purchaser pursuant to the Purchaser Offer, may also be withdrawn at any time after _____, 2000. The Purchaser reserves the right to extend the period of time during which the Purchase Offer is open and thereby delay acceptance for payment of any tendered Units. Units will be returned promptly at such time as it is finally determined that the conditions for consummation of the Purchase Offer and the Merger will not be satisfied or waived (if waivable). Written Consent Forms submitted to the Claims Administrator prior to the Expiration Date may be revoked until the Expiration Date. However, properly executed and timely received Consent Forms that were not properly withdrawn will become binding and irrevocable after the Expiration Date and will not expire until the conditions for consummation of the Purchase Offer and the Merger are satisfied (or waived, if waivable) or until such time as it is finally determined that such conditions will not be satisfied or waived. However, until the Court order approving the Settlement has become final, the Purchase Offer and the Merger will not be consummated. If there is an appeal of the Court's order approving the Settlement, there may be a lengthy delay before you receive any payment for your Units but your consent to the Merger and the Amendment will remain valid.

. Alternatives to Tendering Units

If you wish to retain your Units because you believe that the Settlement is not in your best interests, you should not consent to the Merger and the Amendments. If the conditions to the Purchase Offer and the Merger are not satisfied (or waived, if waivable), you will retain your Units and may seek a private sale of your Units now or later.

However, even if you do not consent to the Merger and the Amendments, the Purchase Offer and the Merger will be consummated if they receive the approval of a majority of the outstanding Units and the other conditions to the Purchase Offer and the Merger are satisfied (or waived, if waivable). In that case, you will receive the purchase offer price less attorneys' fees and expenses for your Units in the Merger, unless you have opted-out of the Settlement, in which case you will receive the appraised value of your Units. See "The Settlement--The Merger."

EACH UNITHOLDER MUST MAKE HIS OR HER OWN DECISION REGARDING THE OFFER, THE MERGER AND THE AMENDMENTS BASED ON HIS OR HER PARTICULAR CIRCUMSTANCES. UNITHOLDERS SHOULD CONSULT WITH THEIR

RESPECTIVE ADVISORS ABOUT THE FINANCIAL, TAX, LEGAL AND OTHER IMPLICATIONS TO THEM OF ACCEPTING THE OFFER AND CONSENTING TO THE MERGER AND THE AMENDMENTS.

THE SETTLEMENT

Background of the Settlement

Organization and Business of the Partnership. The Partnership is a Delaware limited partnership formed on July 15, 1986 to acquire and own 50 Courtyard by Marriott hotels (the "Hotels") and the land on which certain of the Hotels are located. The sole general partner of the Partnership, with a 5% general partner interest, is CBM One LLC, which is jointly owned by Host LP, which holds the sole managing interest, and Rockledge, which holds a non-managing interest.

On August 20, 1986, the General Partner made a capital contribution of $1.2 million in cash and land valued at $4.8 million for its 5% general partner interest. On that same date, 1,150 Units, representing a 95% interest in the Partnership, were sold in a private placement at an offering price per Unit of $100,000. A portion of the Units were purchased on an installment basis, with the limited partners' obligations to make the installment payments evidenced by promissory notes payable to the Partnership and secured by their Units. The General Partner currently owns a total of 15 Units, which were purchased from defaulting investors, representing a 1.24% limited partnership interest in the Partnership.

On August 20, 1986, the Partnership began operations and executed a purchase agreement with Marriott Corporation (the predecessor to Host Marriott Corporation) to acquire the Hotels and the land on which certain of the Hotels are located for a total price of $448.2 million. Of the total purchase price, $374.7 million was paid in cash from the proceeds of mortgage financing and the initial installment payments from the sale of the Units, and $73.5 million from a note payable to Host Marriott Corporation. Twenty-eight of the Hotels were conveyed to the Partnership in 1986, twenty-one Hotels in 1987, and the final Hotel in January 1988. The Hotels are managed as part of the Courtyard by Marriott hotel system under a long-term management agreement with Courtyard Management Corporation (the "Manager"), currently a wholly owned subsidiary of Marriott International. For a description of certain terms of the management agreement, see "Certain Transactions with the Partnership--Management Agreement" below.

The Partnership did not have sufficient cash to repay its original mortgage loan at maturity in June 1993 and defaulted on the loan. In December 1993, the Partnership entered into a forbearance agreement whereby its mortgage lenders agreed not to exercise their rights and remedies for nonpayment of the loan. In April 1994, the Partnership entered into a restated loan agreement with its mortgage lenders, which would have matured in June 1997, subject to extension of two one-year periods if certain operating profit levels were met. The loan required that 75% or more of the available cash flow each year be applied to additional principal repayments. The General Partner's predecessor provided a $37.3 million guarantee of the original loan and Host Marriott provided a $40.0 million guarantee of the refinanced loans, which was backed up by a guarantee from Marriott International. A total amount of $7,341,000 was advanced by the General Partner's predecessor under the original guarantee, which as of March 24, 2000, had accrued a total of $7,600,000 of interest.

On March 21, 1997, the Partnership refinanced its mortgage debt. The total amount of the debt was increased from $280.8 million to $325.0 million. The $44.2 million of excess refinancing proceeds were used to: (i) make a $7 million contribution to the property improvement fund to cover anticipated shortfalls; (ii) pay approximately $7.0 million of refinancing costs; and (iii) make a $30.2 million partial return of capital distribution to the partners. The new loan requires monthly payments of interest at a fixed rate of 7.865% and principal based on a 20-year amortization schedule. The loan has a scheduled maturity in April 2012.

The Abandoned 1997 Rollup Transaction. In late 1997, the Partnership and five other Marriott partnerships that own limited service hotels explored a potential transaction involving the formation of an "umbrella partnership real estate investment trust," or UPREIT, that

would acquire the limited service hotels owned by the six partnerships. The transaction was intended to provide the limited partners in the six partnerships with liquidity and the opportunity to participate in a public entity with growth potential. As a result of conditions in the market for limited service hotels, the transaction was abandoned.

The Unsuccessful Sales Effort. In mid-1998, the Partnership and five other Marriott partnerships retained Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") as their financial advisor to explore the possibility of sales of these Marriott partnerships, on a portfolio or individual basis, in an effort to provide liquidity to limited partners and help them realize the value of their investments. More than 70 prospective purchasers were contacted, and certain financial information concerning the Partnership was made available to a number of them for their review and analysis on a confidential basis. Although the Partnership received several indications of interest, due to the large number of Hotels owned by the Partnership, many prospective purchasers did not have the ability to consummate a transaction of this size. The Partnership had preliminary discussions with the party that made the most attractive proposal, but the Partnership and this bidder did not pursue a definitive agreement because of uncertainties regarding the future operating results of the Partnership's Hotels.

The Litigation. The Settlement Agreement is intended to resolve lawsuits brought on behalf of limited partners in the Partnership, as well as lawsuits on behalf of partners in six other partnerships. On March 16, 1998, limited partners in the Partnership and several other Marriott Partnerships filed a lawsuit (the "Haas Litigation"), styled Robert M. Haas, Sr. and Irwin Randolph Joint Tenants, et al. v. Marriott International, Inc., et al., Case No. 98-CI-04092, in the 57th Judicial District Court of Bexar County, Texas (the "Court") against Marriott International, Host Marriott, various of their subsidiaries, various individuals, and Hospitality Valuation Services, Inc. (collectively, the "Haas Litigation Defendants"). This lawsuit related to the Partnership and the following other partnerships (collectively, the "Marriott Partnerships"): Courtyard by Marriott II Limited Partnership, Marriott Residence Inn Limited Partnership, Marriott Residence Inn II Limited Partnership, Fairfield Inn by Marriott Limited Partnership, Host DSM Limited Partnership (formerly known as Desert Springs Marriott Limited Partnership) and Atlanta II Limited Partnership (formerly known as Atlanta Marriott Marquis Limited Partnership). The plaintiffs in the Haas Litigation alleged, among other things, that the defendants in this lawsuit conspired to sell hotels to those Marriott Partnerships at inflated prices and that they charged excessive management fees to manage the hotels owned by those partnerships. They also alleged that the Haas Litigation Defendants committed fraud, breached fiduciary duties, and violated the provisions of various contracts. As part of the Settlement, counsel to the plaintiffs in the Haas Litigation ("Class Counsel") will move for certification of a settlement class consisting of all limited partners that were Unitholders as of March 9, 2000, excluding the Haas Litigation Defendants, the Insiders and two groups of limited partners that have elected to opt-out of the Haas Litigation and intervene and are represented by separate counsel -- Palm Investors, LLC and several Equity Resource Funds (the "Intervenors"). In addition, the settlement class will consist of persons who were named as plaintiffs in the Haas Litigation and sold their Units prior to March 9, 2000, but did not assign their litigation claims.

In addition, certain limited partners of Courtyard by Marriott II Limited Partnership filed a separate lawsuit, styled Whitey Ford, et al. v. Host Marriott Corporation, et al., Case No. 96-CI-08327, in the 285th Judicial District Court of Bexar County, Texas, involving similar allegations against Host Marriott, Marriott International, various related entities, and others (collectively, the "Courtyard II Defendants" and together with the Haas Litigation Defendants, the "Defendants"). On January 29, 1998, two other limited partners of Courtyard by Marriott II Limited Partnership, A.R. Milkes and D.R. Burklew, filed a petition to expand this lawsuit (the "Milkes Litigation" and, together with the Haas Litigation, the "Litigation") into a class action. On June 23, 1998, the Court entered an order certifying a class of limited partners under Texas law in the Milkes Litigation. As a result, Courtyard by Marriott II Limited Partnership is no longer included in the Haas Litigation.

The Defendants in both the Haas Litigation and the Milkes Litigation have filed answers denying the allegations and asserting various defenses, including the statutes of limitations.

The Negotiations. The Settlement is the result of negotiations in connection with the Haas and the Milkes Litigation that took place over the course of one year. The parties to the Settlement Agreement engaged in extensive settlement negotiations and explored numerous preliminary settlement strategies during the course of the Litigation. In March 1999, the parties proposed to retain a mediator, and in April 1999, Mr. Finis Cowan, a former federal district judge, was retained to mediate the dispute. During the summer of 1999, several mediation sessions were held, both in Houston, Texas and Washington, D.C., at which representatives of all the parties to the Litigation and their respective counsel were present. These sessions focused primarily on various proposed partnership restructurings and cash payments. During these negotiations, the parties strongly disagreed on the asserted value of the claims. As no settlement appeared imminent, the parties continued to prepare diligently for the trial, which was scheduled for February 2000.

On August 17, 1999, the General Partner, in accordance with Section 17-403(c) of the Partnership Act, appointed an independent Special Litigation Committee consisting of The Honorable William H. Webster and The Honorable Charles B. Renfrew, to investigate, review, and analyze, on behalf of the Partnership, the facts and circumstances surrounding the derivative claims asserted in the Milkes Litigation and decide what action the Partnership should take with respect to such claims. William H. Webster, a partner at the law firm of Milbank, Tweed, Hadley & McCloy LLP in its Washington, D.C. office, served as a Judge of the United States District Court for the Eastern District of Missouri from 1970 until 1973, when he was elevated to the United States Court of Appeals for the Eighth Circuit. From 1978 until 1987, Mr. Webster served as Director of the Federal Bureau of Investigation. From 1987 until 1991, he served as Director of Central Intelligence, where he headed all the foreign intelligence agencies of the United States and the Central Intelligence Agency. Charles B. Renfrew, who operates law offices under his own name and practiced at two major U.S. law firms prior to that, served as a Judge of the United States District Court for the Northern District of California from 1972-80 and as Deputy Attorney General of the United States from 1980-81. The Special Litigation Committee retained, as its counsel, Richard C. Tufaro and the law firm of Milbank, Tweed, Hadley & McCloy, LLP to assist in its investigation and review.

In January 2000, counsel for the Special Litigation Committee met in Houston, Texas with Class Counsel in an effort to advance settlement negotiations between the parties. The Special Litigation Committee believed that it controlled the determination of the derivative claims and formed its own views on the value of those claims and an appropriate settlement on behalf of the Partnership and Courtyard by Marriott II Limited Partnership (collectively, the "Partnerships"). After telephonic conversations between the Special Litigation Committee's counsel and the Defendants and their counsel, on February 4, 2000, the parties to the litigation and their respective counsel met in Washington, D.C. with the Special Litigation Committee. The negotiations lasted all day at the office of the Special Litigation Committee's counsel. It was at this settlement meeting that a settlement strategy involving a proposed sale of the units of limited partnership interest in the Partnerships to the Defendants was raised. Class Counsel, after consultation with its representative clients, viewed the proposal favorably because it provided an exit strategy and liquidity--two significant factors desired by the class plaintiffs.

During February 2000, the numerous telephonic settlement negotiations took place in an attempt to define the parameters of an acceptable Unit repurchase and litigation settlement strategy. Throughout this time, Class Counsel was meeting with its clients, advisors and with counsel to the Special Litigation Committee to discuss various proposed settlement terms. Similarly, the Defendants and their respective counsel and advisors continued to have internal discussions and discussions with counsel to the Special Litigation Committee regarding the resolution of the Litigation. Additional

meetings were held in Houston in February 2000, culminating in the execution of a non-binding settlement term sheet on February 23, 2000.

During the settlement process, Class Counsel, counsel to the Special Litigation Committee, and their respective experts and advisors, or some of them: (1) obtained additional financial material regarding all of the Marriott Partnerships; (2) reviewed detailed information regarding the attempted sale of the Partnerships by Merrill Lynch; (3) interviewed and deposed a representative of Merrill Lynch; (4) reviewed the terms of the secondary market purchases of units of limited partnership interest in the Partnerships; and (5) performed such other reviews and analysis as they deemed appropriate.

Further settlement negotiations followed, resulting in the execution of the Settlement Agreement by the Defendants, counsel for the plaintiffs, the Intervenors and the Special Litigation Committee on March 9, 2000.

Fees. In connection with the consummation of the Purchase Offer and the Merger, the Joint Venture will pay Merrill Lynch a fee in accordance with the terms of its engagement letter entered into in mid-1998 in connection with its sales efforts.

The Settlement Agreement

Insofar as it relates to the limited partners in the Partnership, the Settlement Agreement provides for a two-step process to effectuate the Settlement, consisting of the Purchase Offer and the Merger on the terms and conditions set forth elsewhere in this Purchase Offer and Consent Solicitation.

The Settlement Agreement provides that the Joint Venture, Host Marriott, Rockledge, and Marriott International, or their designees, will deposit the settlement funds with respect to the Haas Litigation (an aggregate amount of $152,237,550 reduced by $134,130 for each Unit held by a Unitholder who opts-out of the Settlement and further reduced by any amounts owed by Unitholders on the original purchase price of any Units) in escrow with Chase Bank of Texas, N.A., which has been retained to act as escrow agent for the settlement funds (the "Escrow Agent") within three business days after the Court enters a judgment order approving the Settlement Agreement. If the judgment order becomes final without an appeal (other than an appeal that relates solely to counsel fees and expenses), then the Escrow Agent will be authorized to make distributions within seven business days after the date on which the judgment order becomes final (such date, the "Effective Date") of an amount equal to $134,130 per Unit (or a pro rata portion thereof) in cash to limited partners who have submitted valid Proofs of Claim on or before the Effective Date. If the Court approves legal fees and expenses of approximately $18,000 per Unit to Class Counsel, the net amount that each Unitholder that is a class member in the Haas Litigation will receive is approximately $116,000 per Unit (or a pro rata portion thereof) (the "Net Settlement Amount"). The Net Settlement Amount to be received by any holder will be reduced by any amount owed by the holder on the original purchase price of such Unit. The Escrow Agent will be authorized to make distributions of the Net Settlement Amount to limited partners who submit valid Proofs of Claim after the Effective Date within seven days after receipt of their Proofs of Claim. If a class action plaintiff has not submitted a valid Proof of Claim to the Claims Administrator within 90 days following the Effective Date and such plaintiff has not opted-out of the Settlement, Class Counsel will execute a Proof of Claim on behalf of that limited partner. The execution of the Proof of Claim by Class Counsel on behalf of a limited partner will entitle the limited partner to receive the Net Settlement Amount for each Unit held by such limited partner and release, on behalf of such limited partner, all claims that are released, settled and discharged as part of the Settlement as provided in the Proof of Claim.

Upon the terms and subject to the conditions of the Purchase Offer, payment for the Units (other than Units held by holders who have opted out of the Settlement) will be made by deposit of the consideration therefor with the Escrow Agent. Upon deposit of the settlement funds with respect to the Haas litigation the Escrow Agent for the purpose

of making payment to validly tendering Unitholders, the Purchaser's obligation to make such payment shall be satisfied and such tendering Unitholders must thereafter look solely to Class Counsel and the Escrow Agent for payment of the amounts owed to them by reason of acceptance for payment of Units pursuant to the Purchase Offer or the Merger. The Defendants in the Litigation have no responsibility for or liability whatsoever with respect to the investment or distribution of the settlement funds, the determination, administration, calculation or payment of claims, or any losses incurred in connection therewith, or with the formulation or implementation of the plan of allocation of the settlement funds, or the giving of any notice with respect to same.

By execution and delivery of a Proof of Claim, you will be granting a release of any and all claims, whether known or unknown, relating to the purchase and sale of Units, the operation of the Partnership or management of the Hotels, and other related matters, as set forth in greater detail in the Proof of Claim. If you do not opt-out of the settlement class, you will also be deemed to have granted such a release by virtue of the judgment order, even if you fail to execute and deliver a valid Proof of Claim. Pursuant to a Proof of Claim delivered prior to the Effective Date, you will also transfer your Units to the Purchaser, free and clear of any liens or encumbrances.

The Haas Litigation Defendants have agreed with the Intervenors to pay the Intervenors $134,130 per Unit in the Purchase Offer pursuant to the same Settlement Agreement entered into with Class Counsel. The Intervenors have agreed to grant releases to the Haas Litigation Defendants as provided in the Proof of Claim and to pay their own counsel fees and expenses. The Intervenors have also agreed to exercise their best efforts to accomplish the terms and conditions of the Settlement Agreement and accordingly are expected to tender their Units in the Purchase Offer and to vote in favor of the Merger and the Amendments. Insiders who own Units will also not be members of the plaintiff class in the Haas Litigation. They will receive $134,130 per Unit tendered in the Purchase Offer. If any of the persons discussed in this paragraph who are not members of the plaintiff class in the Haas Litigation do not tender their Units prior to the Expiration Date, their Units will be converted in the Merger in the same manner as Units held by other participating Unitholders in the Merger.

If you or any other plaintiffs file an appeal of the judgment order (other than an appeal that relates solely to counsel fees and expenses), the Escrow Agent will return the settlement fund, with interest, to the Joint Venture, Host Marriott, Rockledge, and Marriott International, or their designees, within two days after receiving documentation of the event. If an order of an appellate court affirming the judgment order subsequently becomes final, then the Joint Venture, Host Marriott, Rockledge, and Marriott International, or their designees, will return the settlement fund to the Escrow Agent within three business days thereafter, without interest.

The Settlement Agreement provides that the limited partners in the Partnership will continue to own their respective Units until the judgment order becomes final. The General Partner will cause the Partnership to make distributions of Cash Available for Distribution (as defined in the Partnership Agreement) for the period until the judgment order is entered. Following entry of the judgment order, and until the judgment order becomes final, assuming there is no appeal, no additional distribution of Cash Available for Distribution will be made, but the limited partners will be entitled to receive interest accumulated on the settlement fund, less administrative expenses. If an appeal is filed, the General Partner will cause the Partnership to make distributions of Cash Available for Distribution for the period until the judgment order becomes final.

There may be a delay in such distribution to the extent the judgment order becomes final in the middle of an accounting period or the General Partner is otherwise unable to finally determine the amount of the distribution prior to the judgment order becoming final.

Position of the General Partner, the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge Regarding the Purchase Offer

The terms of the Purchase Offer and the Merger (as well as all of the other terms of the Settlement Agreement) were established through extensive arms-length negotiations between and among the plaintiffs, the Defendants and their counsel. None of the Joint Venture, the Purchaser, Marriott International, MI Investor, Rockledge or the General Partner makes any recommendation with respect to the Purchase Offer, the Merger, the Amendments, or the other terms of the Settlement Agreement.

The General Partner is a Defendant and therefore has a conflict of interest. Accordingly, the General Partner makes no recommendation to any Unitholder whether to tender or to refrain from tendering his or her Units. YOU MUST EACH MAKE YOUR OWN DECISION WHETHER OR NOT TO TENDER YOUR UNITS AND WHETHER OR NOT TO CONSENT TO THE MERGER AND THE AMENDMENTS.

Recommendation of the Special Litigation Committee and Counsel to the Class Action Plaintiffs

The Special Litigation Committee engaged the law firm of Milbank, Tweed, Hadley & McCloy LLP to act as counsel and assist in the investigation. The Special Litigation Committee also retained the law firm of Bouchard Margules Friedlander & Maloney Huss to advise on matters of Delaware law and Jackson & Walker LLP to advise on matters of Texas law. In addition to these three law firms, the Special Litigation Committee retained experts, Cushman Realty Corporation and Maurice Robinson & Associates, LLC to assist in analyzing the claims.

After extensive analysis of the factual and legal issues, the Special Litigation Committee concluded that the terms of the proposed Settlement (1) are fair and reasonable to the Partnership (which the Special Litigation Committee considers, as a practical matter, to have an identity of interest with the limited partners with respect to the derivative claims in the Milkes Litigation), and (2) include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of the Partnership in the Haas Litigation. The Special Litigation Committee has advised the Partnership it considered the following factors in determining that the proposed Settlement is fair and reasonable:

(1) the Settlement fairly reflects the substantial risks of litigation to the Partnership and the limited partners;

(2) the Settlement fairly accounts for the inherent value of the Units based upon market-tested offers to purchase the Partnership obtained by Merrill Lynch in the summer of 1999;

(3) holders of Units who do not want to participate in the Settlement may opt-out of the Settlement and have their Units appraised and pursue their individual claims separately;

(4) the fairness of the Settlement is subject to Court approval;

(5) the Settlement requires the approval of a majority of the limited partners in the form of a consent to the Merger;

(6) limited partners who do not opt-out of the class may appear at the hearing to determine the fairness of the Settlement and oppose the Settlement;

(7) the lack of an existing active trading market for the Units;

(8) the terms of the Settlement were the result of extensive arms' length negotiations between Class Counsel and the Defendants; and

(9) the advice of independent financial experts, Cushman Realty Corporation and Maurice Robinson & Associates, LLC, retained by the Special Litigation Committee in connection with the investigation.

In addition, Class Counsel has recommended to its clients that they approve the Settlement by tendering their Units in the Purchase Offer and consenting to the Merger and the Amendments. Class Counsel has determined that the Settlement represents a fair, reasonable and attractive settlement. Class Counsel came to this conclusion after engaging in extensive investigation and discovery on the claims asserted in the Haas Litigation that lasted over eighteen months. According to documents filed with the Court, the investigations and discovery conducted by Class Counsel included:

(1) inspecting thousands of pages of documents produced by the Defendants in the Litigation and by third parties;

(2) deposing numerous present and former employees of the Defendants in the Litigation;

(3) deposing plaintiffs;

(4) deposing third party witnesses;

(5) employing and consulting with experts, including reviewing and producing expert reports and attending and taking expert depositions;

(6) reviewing public and on-line filings; and

(7) researching applicable legal issues with respect to the claims asserted in the Haas Litigation.

According to documents filed with the Court, Class Counsel, based on its collective experience in handling hundreds of limited partnership claims, believes that the Settlement confers substantial benefits upon the class and each member of the class and is in the best interests of the class members.

Purpose and Structure of the Purchase Offer; Merger and Amendments

The purpose of the Purchase Offer and the Merger is to fulfill the obligations of Marriott International, Host Marriott and Rockledge under the Settlement Agreement. See " 3/4The Settlement Agreement." The acquisition of the Units has been structured as a cash purchase offer followed by a merger in order to ensure that all of the Units are acquired, to permit different consideration for Unitholders that participate in the Settlement and Unitholders that elect to opt-out of the Settlement, and to provide for a majority vote on the Merger and Amendments.

The Settlement Agreement and the Merger Agreement provide that, if the judgment order approving the Settlement becomes final, Unitholders who fail to tender their Units, other than Unitholders who opt-out of the Settlement, will receive the same consideration in the Merger as Unitholders whose Units are purchased in the Purchase Offer. If the judgment order approving the Settlement becomes final, each holder of Units who has opted out of the Settlement will be entitled to receive a cash amount per Unit determined through an appraisal process set forth in the Settlement Agreement and the Merger Agreement, but such appraisal amount will not include any amount representing the value of the settlement of the claims that were asserted in the Haas Litigation.

Conditions of the Purchase Offer and the Merger

Notwithstanding any other provisions of the Purchase Offer and Consent Solicitation, the Purchaser is not obligated to accept for payment, purchase or pay for, subject to Rule 14e-1(c) under the Securities Exchange Act of 1934, any Units tendered, or to consummate the Merger, unless the following conditions are satisfied:

(1) the order of the Court approving the terms of the Settlement and the dismissal of the Litigation shall have become final (other than by reason of an appeal relating solely to counsel fees and expenses),

(2) not more than ten percent of the units of limited partnership interests in each of the Partnership and each of the other six Marriott Partnerships (other than units held by Insiders) shall be held by holders who have elected to opt-out of the Settlement,

(3) holders of a majority of the outstanding units of limited partnership interests in each of the Partnership and Courtyard by Marriott II Limited Partnership (other than the general partners of these partnerships and their affiliates) shall have submitted valid written consents to its merger and the proposed amendments to its partnership agreement.

The condition set forth in (2) above is for the sole benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances giving rise to this condition and may be waived by the Purchaser in writing, in whole or in part, at any time and from time to time, in its sole discretion. The failure by the Purchaser at any time to exercise this right will not be deemed a waiver of such right and this right will be deemed an ongoing right which may be asserted at any time and from time to time until the Expiration Date. However, conditions (1) and (3) may not be waived by the Purchaser. Accordingly, in the event that holders of a majority of the outstanding Units fail to consent to the Merger and the Amendments, the Purchase Offer and the Merger and the other transactions contemplated by the Settlement will not be consummated.

Plans for the Partnership; Certain Effects of the Purchase Offer

The Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge currently intend that, upon consummation of the Purchase Offer and the Merger, the Partnership will continue its business and operations, substantially as, and in such places as, they are currently being conducted. Except as set forth in this Purchase Offer and Consent Solicitation, the Purchaser has no present plans or proposals regardless of the outcome of the Purchase Offer that would result in an extraordinary transaction, such as a merger, reorganization, liquidation, or sale or transfer of a material amount of assets, involving the Partnership or its subsidiaries, or any material changes in the Partnership's capitalization, distribution policy, structure or business. Immediately prior to the consummation of the Purchase Offer, Rockledge will contribute its 99% non-managing interest in the General Partner to the Joint Venture as a capital contribution and Host LP will contribute its 1% managing interest to the Joint Venture as a capital contribution. As a result, following the consummation of the Purchase Offer and the Merger, the Partnership will be 100% owned indirectly by the Joint Venture (through the General Partner and the Purchaser) and, therefore, by the Joint Venture's equity owners, MI Investor, Rockledge (through wholly owned subsidiaries) and Host LP. In addition, subject to contractual obligations to third parties, Rockledge (through wholly owned subsidiaries) and MI Investor intend to make certain changes to the arrangements under which the Manager provides management services to the subsidiaries of the Partnership that own the Hotels to make such

arrangements more consistent with arrangements that the Manager and its affiliates currently have with other properties in which Rockledge and Host Marriott have an interest. See "--Certain Transactions with the Partnership." In addition, following consummation of the Purchaser Offer and the Merger, the Partnership will be required, under the terms of its senior notes, to make an offer to purchase all outstanding senior notes as a result of a change of control of the Partnership.

The Units currently are registered under the Exchange Act, and the Partnership currently is subject to the periodic reporting requirements of that Act. Following the consummation of the Purchase Offer and the Merger, the Partnership will become privately held directly and indirectly by Marriott International and Rockledge through the Joint Venture and its subsidiaries. Under the terms of its senior notes, the Partnership will be required to continue filing periodic reports with the SEC, although it will not be required to do so under the Exchange Act.

Following consummation of the Purchase Offer and the Merger, you will have no further opportunity to participate in the benefit of increases, if any, in the value of the Partnership's business and properties or to receive future distributions, if any, in respect of the Partnership's operations.

Certain Information Concerning the Partnership

Business Description. The Partnership is a Delaware limited partnership with its principal offices located at 10400 Fernwood Road, Bethesda, Maryland 20817. The Partnership was formed on July 15, 1986 to acquire and own the Hotels and the respective fee or leasehold interests in the land on which the Hotels are located. The Hotels are located in 16 states and contained a total of 7,223 guest rooms as of December 31, 1999. The Partnership is engaged solely in the business of owning and operating hotels. The Hotels are operated as part of the Courtyard by Marriott system, which includes over 471 hotels worldwide in the moderately-priced segment of the lodging industry. The Hotels are managed by the Manager, a wholly owned subsidiary of Marriott International, under the Management Agreement. See "-- Certain Transactions with the Partnership."

The Partnership has no directors or officers. The business policymaking functions of the Partnership are carried out through the managers and executive officers of the General Partner. The name, business address, principal occupation, five-year employment history, and citizenship of the managers and executive officers of the General Partner are set forth in Schedule II to this Purchase Offer and Consent Solicitation.

Except as otherwise described in this Purchase Offer and Consent Solicitation, neither the Partnership nor any of its affiliates nor, to the best of the Partnership's knowledge, any of the persons listed in Schedule II hereto, nor any associate or majority-owned subsidiary of any of the foregoing, beneficially owns or has a right to acquire any Units. Except as otherwise described in this Purchase Offer and Consent Solicitation, neither the Partnership nor any of its affiliates nor, to the best of the Partnership's knowledge, any of the persons or entities referred to above, nor any director, executive officer or subsidiary of the Partnership, has effected any transaction in such Units during the past 60 days.

Except as described in this Purchase Offer and Consent Solicitation, neither the Partnership nor any of its affiliates nor, to the best of the Partnership's knowledge, any of the persons listed on Schedule II hereto, has any contract, arrangement, understanding or relationship with another person with respect to any securities of the Partnership, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guarantees or loans, guarantees against loss or the giving or withholding of proxies.

The Partnership is currently subject to the information and reporting requirements of the Exchange Act and, as a result, is required to file reports and other information with the SEC relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning the Partnership, the General Partner's managers and executive officers, the principal holders of the Partnership's securities, any material interests of these persons in transactions with

the Partnership and other matters is required to be disclosed in reports filed with the SEC. Such reports and other information can be inspected and copied at the public reference facilities maintained by the SEC in Washington, D.C., New York, New York and Chicago, Illinois. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. The Partnership's filings are also available to the public on the SEC's Internet site (http://www.sec.gov). Copies of such materials may also be obtained by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

Certain Information Concerning the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge

The Purchaser. The Purchaser, a Delaware limited liability company and a wholly owned subsidiary of the Joint Venture, was formed on April 19, 2000, for the purpose of acquiring the Units pursuant to the Purchase Offer, and has engaged in no activities to date, other than those incidental to its organizing as an entity and making the Purchase Offer. Because the Purchaser is newly formed and has minimal assets and capitalization, no meaningful financial information with respect to the Purchaser is available. Similarly, because the Purchaser has yet to establish an office, it should be contacted through either MI Investor or Rockledge at the address and telephone numbers shown below.

The Joint Venture. The Joint Venture, a Delaware limited liability company, is owned 50% by Marriott International, through MI Investor, and 50% by Rockledge (through wholly owned subsidiaries). The Joint Venture was formed by MI Investor and Rockledge (through wholly owned subsidiaries) on April 19, 2000 in order to effectuate the terms of the Settlement Agreement and has engaged in no activities to date, other than those incidental to its organization and satisfying the terms of the Settlement Agreement. Because the Joint Venture has yet to establish an office, it should be contacted through either MI Investor or Rockledge at the address and telephone numbers shown below.

MI Investor. MI Investor, a Delaware limited liability company, is a wholly owned indirect subsidiary of Marriott International. MI Investor was formed on April 13, 2000, for the purpose of investing in the Joint Venture, and has engaged in no activities to date, other than those incidental to its organization and the formation of the Joint Venture. The principal office of MI Investor is located at 10400 Fernwood Road, Bethesda, Maryland 20817 and its telephone number is (301) 380-3000.

Marriott International. Marriott International, a Delaware corporation, was incorporated on September 19, 1997 and became a public company when it was spun off as a separate entity by the company formerly named "Marriott International, Inc." (now known as Sodexho Marriott Services, Inc.) on March 27, 1998. Marriott International is a worldwide operator and franchisor of hotels and related lodging facilities, an operator of senior living communities, and a provider of distribution services. Its operations are grouped in three business segments, lodging, senior living services and distribution services, which represented 81, six, and 13 percent, respectively, of total sales in the fiscal year ended December 31, 1999. The principal office of Marriott International is located at 10400 Fernwood Road, Bethesda, Maryland 20817 and its telephone number is (301) 380-3000.

Marriott International is subject to the information and reporting requirements of the Exchange Act and, in accordance therewith, files reports and other information with the SEC relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning Marriott International's directors and officers, the principal holders of Marriott International's securities, any material interests of these persons in transactions with Marriott International and other matters is required to be disclosed in proxy statements distributed to Marriott International's stockholders and filed with the SEC. Such reports, proxy statements, and other information can be inspected at the public reference facilities maintained by the SEC in Washington, D.C., New York, New York and Chicago, Illinois. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. Marriott

International's filings are also available to the public on the SEC's Internet site (http://www.sec.gov). Copies of such materials may also be obtained by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C., 20549. Such reports, proxy statements and other information can be inspected and copied at prescribed rates. Such information should also be available for inspection at the New York Stock Exchange at 20 Broad Street, New York, NY 10005.

Rockledge. Rockledge, a Delaware corporation, was formed in connection with Host Marriott's efforts to reorganize its business operations to qualify as a "real estate investment trust," or REIT, for federal income tax purposes. Rockledge was formed to own various assets through a contribution of approximately $264 million from Host Marriott to its operating partnership, the direct ownership of which by Host Marriott or its operating partnership could jeopardize Host Marriott's status as a REIT. These assets primarily consist of partnership or other interests in hotels which are not leased and certain furniture, fixtures and equipment used in the hotels. In exchange for the contribution of these assets, the operating partnership received only non-voting common stock, representing 95% of the total economic interests therein. The Host Marriott Statutory Employee/Charitable Trust, the beneficiaries of which are certain employees of Host LP, concurrently acquired all of the voting common stock representing the remaining 5% of the total economic interest. The principal office of Rockledge is 10400 Fernwood Road, Bethesda, Maryland 20817 and its telephone number is (301) 380-9000.

The name, business address, present principal occupation, five-year employment history and citizenship of each of the directors and executive officers of the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge are set forth in Schedule I hereto.

Except as set forth in this Purchase Offer and Consent Solicitation and in Schedule I, neither the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, nor any person controlling the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, nor, to the best knowledge of the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, any of the persons listed in Schedule I or any associate or majority-owned subsidiary of any of the foregoing, beneficially owns or has a right to acquire any Units or has effected any transactions in the Units during the past 60 days. Except as described in this Purchase Offer and Consent Solicitation, neither the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, nor any of their affiliates nor, to the knowledge of the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, any of the persons listed on Schedule I hereto, has any contract, arrangement, understanding or relationship with another person with respect to any securities of the Partnership, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guarantees or loans, guarantees against loss or the giving or withholding of proxies, consents, or authorizations. Except as described in this Purchase Offer and Consent Solicitation, neither the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, nor any of their affiliates nor, to the knowledge of the Joint Venture, the Purchaser, Marriott International, MI Investor or Rockledge, any of the persons listed on Schedule I hereto, has since January 1, 1998 engaged in any business relationship or transaction with the Partnership or any of its affiliates that would require disclosure herein under the rules and regulations of the SEC applicable to the Purchase Offer. Except as described in this Purchase Offer and Consent Solicitation, there have been no contacts, negotiations or transactions since January 1, 1998 between the Purchaser, the Joint Venture, Marriott International, MI Investor or Rockledge, and their respective affiliates or any of the persons listed on Schedule I hereto, on the one hand, and the Partnership or its affiliates on the other hand, concerning a merger, consolidation, acquisition, tender offer or other acquisition of securities, election of directors or sale or other transfer of a material amount of assets of the Partnership.

Source and Amount of Funds

The total amount of funds required to purchase the Units in the Purchase Offer and to consummate the Merger will be up to approximately $152.2 million, depending upon the number of Units held by limited partners who elect to opt-out of the class and the appraised value determined

for those Units under the Merger Agreement. The Purchaser will obtain the necessary funds, indirectly, from Marriott International, and from Rockledge, which will obtain funds from the operating partnership of Host Marriott through a loan or capital contribution. MI Investor and Rockledge will provide a portion of the funds for the Purchase Offer and the Merger by equity contributions to the Joint Venture, and a subsidiary of Marriott International will provide a portion of the funds through a loan. There is no financing contingency to consummation of the Purchase Offer and the Merger. Host Marriott and Marriott International have guaranteed the obligations of the Haas Litigation Defendants and Rockledge to provide the funds necessary to fund payments under the Settlement Agreement, if the judgment order becomes final.

The Joint Venture, Marriott International, Host Marriott, and Rockledge will be responsible for payment of expenses of the Purchase Offer and the Merger. See "Other Matters - Fees and Expenses."

Certain Transactions with the Partnership

The following paragraphs describe certain transactions between the Partnership, on the one hand, and Host Marriott, Rockledge, Marriott International, and certain affiliates and related persons, on the other hand.

Management Agreement. The Hotels owned by the Partnership's subsidiaries are managed by the Manager, a wholly owned subsidiary of Marriott International, under a management agreement (the "Management Agreement"). The following paragraphs summarize the principal provisions of the Management Agreement.

The Management Agreement has an initial term expiring December 31, 2017 and can be renewed for four successive ten-year periods as to one or more of the Hotels. The Partnership may terminate the Management Agreement if, during any three consecutive years, the average operating profit, as defined, does not exceed $40,198,000 plus 8% of the sum of owner funded capital expenditures. In addition, upon the sale of a Hotel, the Partnership may terminate the Management Agreement with respect to that Hotel with payment of a termination fee. Prior to December 31, 2001, a maximum of fifteen Hotels can be sold free and clear of the Management Agreement with payment of the termination fee. The termination fee is calculated by the Manager as the net present value of reasonably anticipated future incentive management fees.

The Management Agreement provides for annual payments of (1) the base management fee equal to 3% of gross Hotel sales, (2) the Courtyard management fee equal to 3% of gross Hotel sales, and (3) the incentive management fee not to exceed 15% of operating profit, as defined, payable from available cash as described in the following paragraph. A portion of the Courtyard management fee equal to 1% of gross Hotel sales is subordinate to debt service on the mortgage loan.

As part of the Partnership's debt financing in March 1997, the Partnership agreed to pay $4.2 million of deferred incentive management fees and the Manager agreed to forgive approximately $14.9 million of these fees. This left a remaining balance of $6.5 million of accrued incentive management fees as of each of March 21, 1997 and December 31, 1997. The Partnership paid $823,000 and $876,000 of deferred incentive management fees during 1998 and 1999, respectively, leaving a balance of $4.8 million of deferred incentive management fees as of December 31, 1999. Deferred and current year incentive management fees are payable from 50% of available cash after the payment of: (1) debt service, (2) deferred Courtyard management fees, if any, (3) deferred Marriott International ground rent, if any, and (4) a priority return to the Partnership equal to 10% of cumulative capital less sale and refinancing proceeds. Deferred management fees are not payable to the Manager from sale or refinancing proceeds. Unpaid incentive management fees will not accrue.

The Management Agreement provides for the establishment of a repairs and equity reserve (property improvement fund) for the Hotels to ensure that the physical condition and product quality of the Hotels are maintained. Contributions to the property improvement fund were equal to 5% of gross Hotel sales through 1998 and were increased to 6% of gross Hotel sales in 1999 and 2000 and

may be increased, at the option of the Manager, to 7% thereafter. For the years ended December 31, 1999 and 1998, the Partnership reported contributions of $12,361,000 and $10,540,000, respectively, to the property improvement fund.

Following the Merger, the Partnership will be owned, directly and indirectly, by Marriott International, Rockledge and Host Marriott. See "The Settlement -- Plans for the Partnership; Certain Effects of the Purchase Offer." Subject to contractual obligations to third parties, Rockledge and MI Investor intend to make certain changes to the arrangements under which the Manager provides management services to the subsidiaries of the Partnership that own the Hotels to make such arrangements more consistent with arrangements that the Manager and its affiliates currently have with other properties in which Rockledge and Host Marriott have an interest. These changes include eliminating the ability of the Management Agreement to be terminated with respect to a Hotel upon the sale of such Hotel by payment of a termination fee, decreasing the amount to which the incentive fee would increase under certain circumstances and increasing annual contributions to the repairs and equipment reserve.

The following table sets forth the Partnership's reported breakdown of amounts paid to Marriott International and affiliates under the Management Agreement for the years ended December 31, 1999 and 1998:

	1999	1998
	(in thousands)	
Incentive management fee	$ 9,165	$ 9,426
Ground rent	7,479	7,383
Chain services and MRP allocation	10,185	9,676
Base management fee	6,182	6,037
Courtyard management fee	6,182	6,037
Deferred incentive management fee	876	823
	$40,069	$39,382

Ground Leases. The land on which 31 of the Hotels are located is leased from affiliates of Marriott International. In addition, two of the Hotels are located on land leased from third parties. The ground leases have remaining terms (including all renewal options) expiring between the years 2058 and 2081. The Marriott International ground leases provide for rent based on specific percentages (from 4% to 8.5%) of certain sales categories subject to minimum amounts. The minimum rentals are adjusted at various anniversary dates throughout the lease terms, as defined in the agreements. The affiliates of Marriott International, as land lessors, agreed to continue to subordinate their ownership interest, as well as receipt of ground rent, to debt service on the Partnership's existing debt financing and qualified refinancing.

Payments to Host Marriott and Subsidiaries. The following sets forth amounts paid by the Partnership to Host Marriott and its subsidiaries for the years ended December 31, 1999 and 1998:

	1999	1998
	(in thousands)	
Cash distributions (as a limited and a general partner*)	$ 831	$ 755
Administrative expenses reimbursed	146	523
	$ 977	$1,278

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* These cash distributions were made with respect to the limited and general partnership interests held by the General Partner. Prior to December 28, 1998, the General Partner was a wholly owned subsidiary of Host Marriott. On December 28, 1998, Host Marriott, which owns approximately 78% of the equity interests in Host LP, transferred its interest in the General Partner to Host LP. Host LP currently owns a 1% managing partnership interest in the General Partner.

Security Ownership of Certain Beneficial Owners and Management

As of December 31, 1999, Palm Investors, LLC, an unrelated third party, owned approximately 5.4% of the 1,150 Units outstanding. The General Partner owns a total of 15 Units representing a 1.24% limited partnership interest in the Partnership.

Neither the Purchaser, Rockledge, Marriott International, CBM Joint Venture nor MI Investor own any Units. As of December 31, 1999, two individuals that are officers and managers of the General Partner and officers of Host Marriott each owned a quarter Unit. In addition, two officers of Marriott International owned one Unit each.

In connection with the Settlement Agreement, the Purchaser intends to acquire all of the outstanding Units (other than Units held by the General Partner). The Purchaser is a subsidiary of a joint venture between Rockledge and Marriott International.

Regulatory Matters

General. The Purchaser is not aware of any license or regulatory permit that appears to be material to the business of the Partnership that might be adversely affected by the Purchaser's acquisition of Units as contemplated herein, the Merger or the other provisions of the Settlement Agreement.

Based upon an examination of available information relating to the businesses in which the Partnership is engaged, the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge believe that the acquisition of Units pursuant to the Purchase Offer or the Merger would not violate the antitrust laws. The Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge believe that retention of all of the operations of the Partnership should be permitted under the antitrust laws. Nevertheless, no one can assure you that a challenge to the Purchase Offer on antitrust grounds will not be made or, if such challenge is made, what the result will be.

Except as set forth in this section entitled "-- Regulatory Matters," the Purchaser is not aware of any filings, approvals or other action by any federal or state governmental administrative or regulatory authority that would be required for the acquisition of Units by the Purchaser as contemplated herein or the Merger. Should any such other approval or action be required, it is currently contemplated that such approval or other action would be sought. We cannot assure you that any such additional approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the Partnership's business in the event that such other approvals were not obtained or such other actions were not taken.

Final Court Hearing and Right to Appear

At the present time, the Court has only determined that the Settlement falls within a range of reasonableness that justifies sending class members the Notice of Pendency and Settlement of Claim and Derivative Action related to Courtyard by Marriott LP and Final Approval Hearing (the "Notice"), which is being distributed by Class Counsel with this Purchase Offer and Consent Solicitation, and the holding of a formal final approval hearing on the merits of the proposed Settlement.

The Court must determine whether the proposed Settlement is fair, reasonable, and adequate, whether a judgment order should be entered dismissing the Haas Litigation, and whether the Court will retain jurisdiction over implementation of the Settlement. The factors the Court will consider in making this determination are:

(1) whether the Settlement was negotiated at arms' length or was a product of fraud or collusion;

[FN]

(2) the complexity, expense and likely duration of the Litigation;

(3) the stage of the proceedings, including the status of discovery;

(4) the factual and legal obstacles that could prevent the plaintiffs from prevailing on the merits;

(5) the possible range of recovery and the certainty of damages; and

(6) the respective opinions of the participants, including Class Counsel, class representatives and the absent class members.

The Court will make these determinations on the fairness of the proposed Settlement at the final approval hearing, which is scheduled for August 28, 2000 at 9 a.m. in the courtroom of the Honorable Michael Peden, 285/th/ District Court, Bexar County Courthouse, 100 Dolorosa, San Antonio, Texas. The final approval hearing may be continued or adjourned from time to time by the Court without further notice to you.

Any class member who has not opted-out of the Settlement may appear at the final approval hearing to demonstrate why the proposed Settlement should not be approved as fair, reasonable, and adequate, why the Haas Litigation should not be dismissed with prejudice, or to present any opposition to the proposed distribution of the settlement funds or to Class Counsel's application for an award of attorney's fees and expenses.

Unitholders will only be heard at the final approval hearing if they, on or prior to August 18, 2000, submit written notice of their intention to appear at the hearing to:

Robert M. Haas, Sr. et al. v. Marriott International, Inc. et al., No. 98-CI 04092
District Clerk
Bexar County Courthouse
100 Dolorasa Street
San Antonio, Texas 78205

and copies to:

Co-Lead Counsel:

Stephen M. Hackerman
Hackerman Peterson Frankel & Manela
1122 Bissonnet Street
Houston, Texas 77005

and upon counsel for Defendants:

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Cunningham, Darlow, Zook & Chapoton, LLP
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Jenkens & Gilchrist, P.C.
1800 Frost Bank Tower
100 West Houston Street
San Antonio, Texas 78205

Attorneys for Marriott International, Inc.

As indicated in the Notice, the written notice of intention to appear at the hearing should state: (1) all grounds for objection or other statement of position, (2) a detailed description of the facts underlying each objection, (3) a detailed description of the legal authorities supporting each objection, (4) a statement of whether the objector intends to appear and argue at the hearing and, if so, how long the objector anticipates needing to present the objection, (5) a list of witnesses who the objector may call by testimony or affidavit, (6) a list of exhibits which the objector may offer during the hearing, along with copies of such exhibits, showing proof of service on the attorneys of record for all parties as indicated above.

Failure to timely submit a written notice of intention to appear at the hearing will constitute a waiver of any objections and will foreclose the raising of objections to the Settlement, to the dismissal with prejudice of the action, to the proposed distribution of the settlement funds, and to the fees and expenses requested by Class Counsel.

Procedures for Opting-Out of the Settlement

Unitholders who do not wish to participate in the Settlement may exclude themselves from the Settlement class by submitting to GEMISYS Corporation, which has been retained by Class Counsel to act as the claims administrator (the "Claims Administrator"), at the address set forth on the back cover page of the Purchase Offer and Consent Solicitation, a written request to be excluded (an "Opt-Out Notice"). As indicated in the Notice, the Opt-Out Notice must be received by the Claims Administrator on or prior to the Expiration Date. The Opt-Out Notice must include: (1) the name of the case (Haas), (2) the Unitholder's name, address and telephone number, social security number or taxpayer identification number, (3) the number of Units held by the Unitholder, (4) the date on which the Unitholder purchased the Units, (5) the name of the Partnership (Courtyard by Marriott Limited Partnership), (6) a statement that the Unitholder is requesting to be excluded from the settlement class, and (7) the Unitholder's signature. Units held by holders who have opted-out of the Settlement will be converted into the right to receive a cash amount equal to the appraised value of such Units in accordance with the procedures described under the heading "The Settlement--the Merger--Rights of Unitholders Who Have Elected to Opt-Out of the Settlement." The appraised value of Units will not include any amount representing the value of the settlement of the claims in the Haas Litigation. Any amounts to be received in the Merger will be reduced by any amount owed on the original purchase price of such Units.

Unitholders who wish to opt-out of the Settlement should also complete, execute and include with their Opt-Out Notice the Certificate of Non-Foreign Status included in the Proof of Claim. Failure to include the Certificate of Non-Foreign Status will result in certain amounts being withheld from the cash payment representing the appraised value of Units to be received by Unitholders who opt-out of the Settlement. See "Federal Income Tax Considerations--Federal Tax Withholding Applicable to Participating and Nonparticipating Unitholders" in the Purchase Offer and Consent Solicitation and Instruction 8 to the Proof of Claim.

Unitholders who fail to timely and validly submit an Opt-Out Notice will be bound by all orders and judgments entered in the Haas Litigation, whether favorable or unfavorable to them. See "The Settlement--The Merger--Rights of Unitholders Who Have Elected to Opt-Out of the Settlement," page 21 and 22.

The Merger

Pursuant to the Settlement Agreement, and in accordance with the provisions of Section 17-211 of the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act"), the Partnership, the Joint Venture and CBM I Acquisition, L.P., a Delaware limited partnership and a subsidiary of the Purchaser ("Merger Sub") have entered into the Merger Agreement. The following summary of certain provisions of the Merger

Agreement is qualified in its entirety by reference to the complete text of the Merger Agreement. You can obtain a copy of the Merger Agreement by following the procedures set forth under the heading "Other Matters-- Miscellaneous." The following summary may not contain all the information that is important to you.

The Merger Agreement provides that Merger Sub will be merged with and into the Partnership, with the holders of partnership interests in the Partnership receiving cash in specified amounts (except that the Units held by the General Partner and the Units held by the Purchaser will be converted into percentage interests in the surviving entity), and the General Partner and the Purchaser will become the only partners in the Partnership. The Partnership will be the surviving entity in the Merger and Merger Sub will cease to exist. The Partnership will continue its existence as a limited partnership under the laws of the State of Delaware, and its name shall continue to be "Courtyard by Marriott Limited Partnership."

Effects of Merger

The Merger will have the effects set forth in the Partnership Act. The sole General Partner of the Partnership following the Merger will continue to be CBM One LLC, until it withdraws or is removed in accordance with the Partnership Agreement, as amended, and the General Partner and the Purchaser will be the only limited partners of the Partnership following the Merger. Assuming the Unitholders consent to the Merger and the Amendments and the other conditions to the Purchase Offer and the Merger are satisfied (or waived, if waivable), the Partnership Agreement will be amended as soon as practicable following the Expiration Date, but in any event prior to the consummation of the Purchase Offer to give effect to the Amendments. The Partnership Agreement will be amended and restated as soon as practicable after the Merger to reflect the acquisition of the Units by the Purchaser and other changes in accordance with the terms and conditions thereof and applicable Delaware law.

Conversion of Partnership Interests in the Merger

In connection with the Merger: (1) all partnership interests in the Merger Sub will be cancelled, (2) each Unit held by a Unitholder (other than the Purchaser or the General Partner) who has not delivered a Proof of Claim prior to the Expiration Date and who has not elected to opt-out of the Settlement will be converted into the right to receive $134,130 per Unit (or a pro rata portion thereof) in cash. If the Court approves legal fees and expenses of approximately $18,000 per Unit to Class Counsel in the Haas Litigation, the net amount that each Unitholder will receive in the Merger is approximately $116,000 per Unit, which amount will be reduced by any amount owed by the holder on the original purchase price of his or her Units, (3) the Units held by Purchaser (including Units acquired in the Purchase Offer) will be converted into a 93.76% limited partnership interest in the Partnership, and (4) the 15 Units held by the General Partner will be converted into a 1.24% limited partnership interest in the Partnership, and the General Partner's general partnership interest in the Partnership will remain outstanding so that the General Partner will continue to own a 5% general partnership interest in the Partnership.

Rights of Unitholders Who Have Elected to Opt-Out of the Settlement

If you elect not to participate in the Settlement by timely delivering an Opt-Out Notice to the Claims Administrator as described herein, your Units will be converted in the Merger into the right to receive cash in an amount equal to the appraised value of such Units, determined in the following manner. The appraised value of your Units in the Merger will be an amount that you would receive if the entire equity interest in the Partnership were sold for an amount equal to (i) the average of the appraised values of the Hotels determined by two appraisers (in the manner described in the paragraph below) plus (or minus) (ii) the net working capital of

the Partnership (to the extent not distributed to the partners) minus (iii) the aggregate amount of indebtedness of the Partnership and its subsidiaries minus (iv) the fair value of deferred management fees accrued under the Management Agreement minus (v) the amount of any commitments for owner funded capital expenditures and the estimated cost of any deferred maintenance with respect to the Partnership's properties, and the proceeds of such sale were then distributed among the partners of the Partnership in the same manner as liquidation proceeds in accordance with the terms of the Partnership Agreement. The liquidity of the Units will not be a factor in determining the fair market value of the Units.

In order to determine the appraised value of the Hotels, two independent, nationally recognized hotel valuation firms _____ and _____, have been selected in consultation with Class Counsel and will be approved by the Court (or, if the Court does not approve such firms, such substitutes as may be approved by the Court). These independent valuation firms will appraise the market value of the Partnership's portfolio of Hotels as of the Effective Date, which appraisals will be completed within 60 days after the effective time of the Merger and set forth in a report certified by a MAI appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (which may be based on site visits to 10 or more Hotels and a limited scope review deemed appropriate by such appraisal firm). The Court will have no involvement in the appraisal process, other than approving the independent valuation firms that will conduct the appraisals.

In the fall of 1999, in connection with Merrill Lynch's efforts to sell the Partnership, the Partnership received a preliminary nonbinding proposal from a third party to acquire all of the equity of the Partnership at a price equivalent to approximately $82,000 per Unit. The proposal was based on a methodology of adjustments similar to the methodology described in the first paragraph of this section. The third party's proposal was never formalized and an agreement in principle was never reached because of uncertainties regarding future operating results of the Partnership's Hotels.

The appraised value of Units payable in the Merger to persons who opt-out of the Settlement may be more or less than $82,000 per Unit, depending upon the market values of the Hotels determined by the independent appraisers and the actual amount of the foregoing adjustments at the time of the Merger, which may differ materially from the amounts on which the 1999 acquisition proposal was based. In addition, the appraised value of the Units may differ from the price that a third party would be willing to pay for the Partnership's entire portfolio of Hotels and the appraised value per Unit may be lower or higher than the Net Settlement Amount per Unit. If you opt-out of the settlement class and elect not to participate in the Settlement, the amount you will receive in the Merger will not include any amount representing the value of the settlement of the claims asserted against the Defendants in the Haas Litigation. Any consideration to be received in the Merger by any limited partner will be reduced by any amount owed on the original purchase price of his or her Units. The Joint Venture will pay any expenses incurred in connection with the appraisal process.

The Amendments

The proposed amendments to the Partnership Agreement are discussed below. Capitalized terms used herein but not defined have the meanings set forth in the Partnership Agreement. In general, the proposed amendments are intended to clarify that the terms of the Settlement Agreement (including the Purchase Offer and the Merger) are consistent with the provisions of the Partnership Agreement and to facilitate the consummation of the Purchase Offer and the Merger. If for any reason the Purchase Offer is not consummated, the Amendments to the Partnership Agreement will not be implemented, even if they receive Unitholder approval. You can obtain a copy of the Partnership Agreement by following the procedures set forth under the heading "Other Matters - --Miscellaneous."

1. Amendments to Voting Provisions. The Partnership Agreement contains various provisions that inhibit the ability of the General Partner and its affiliates to vote Units beneficially owned by them. In the event the Purchase Offer is consummated and such parties become the owners of a majority of the outstanding Units, such parties believe it would be appropriate to amend the voting provisions of the Partnership Agreement to provide such parties with the voting rights described below. The proposed Amendments would affect provisions of the Partnership Agreement that (1) impose restrictions on voting, and (2) establish certain voting standards.

Section 10.01.G of the Partnership Agreement currently provides that the General Partner or its Affiliates are not entitled to any voting, determinative or consensual rights with respect to any Units owned or controlled by them and such Units held by the General Partner or its Affiliates are not taken into account in determining the presence or absence of a quorum. Under the current definition of "Consent" in Section 1.01 of the Partnership Agreement, if the General Partner or any of its Affiliates purchases any Units, it shall not have any voting rights with respect to such Units. The proposed Amendments would delete or revise as appropriate the provisions limiting the voting of the General Partner and its Affiliates to permit the General Partner and its Affiliates to have full voting rights with respect to all Units held by the General Partner or its Affiliates on all matters affecting the Partnership in the same manner as other holders are entitled.

Purpose and Effect of the Amendments. This change has been proposed in order to facilitate the consummation of the Merger. Absent the proposed amendments, in the unlikely event that some action needs to be taken between the time the Purchase Offer is consummated and the time the Merger is effective, the General Partner and its Affiliates would not be permitted to vote such Units even if they held a significant portion of the outstanding Units. The proposed voting amendments would allow the General Partner and its Affiliates to have full voting rights during the interim period. The General Partner will only vote the Units acquired in the Purchase Offer if necessary or advisable to consummate the Merger. In addition, in the absence of the proposed amendments, after the Merger, the Purchaser, as an Affiliate of the General Partner, will not be allowed to vote its Units on items presented to the limited partners for their approval, including amendments to the Partnership Agreement.

Text of the Amendments. Section 10.01.G of the Partnership Agreement, which currently reads as follows, would be deleted in its entirety.

If any Consents, determinations or votes of Limited Partners, with or without a meeting, are to be requested, made or taken, the General Partner or any of its Affiliates (other than officers, directors or employees of the General Partner or any of its Affiliates) shall not be entitled to any voting, determinative or consensual rights with respect to any Interests owned or controlled by any of them nor shall any Interests be taken into account in determining the presence or absence of a quorum.

Section 1.01 of the Partnership Agreement, which defines "Consent," would be revised by the Amendments to delete the strike through language as set forth below:

> "Consent" means either (a) the approval given by vote at a meeting called and held in accordance with the provisions of Section 10.01, or

(b) a prior written approval required or permitted to be given pursuant to this Agreement or the act granting such approval, as the context may require. Unless otherwise specified, Consent of the Limited Partners shall mean Consent of a majority in interest of the Limited Partners entitled to vote. However, if the General Partner or any Affiliate of the General Partner (other than officers, directors or employees of the General Partner or its Affiliates) purchases any Units, it shall have no voting rights with respect to such Units.

2. Elimination of Fifty Percent Transfer Restriction. Section 7.01.B of the Partnership Agreement effectively prohibits the transfer of 50% or more of the outstanding Units within a 12-month period. The proposed Amendment would eliminate this restriction on the transfer of Units.

Purpose and Effect of the Amendment. Under Section 708 of the Internal Revenue Code of 1986, as amended (the "Code"), a partnership is considered to "terminate" for federal income tax purposes if 50% or more of the interests in profits and capital are sold within a 12-month period (a "Section 708 Termination"). The Partnership Agreement, as currently written, prohibits any assignment of Units that would result in a Section 708 Termination. Thus, the Partnership Agreement, when read in conjunction with Section 708, permits the transfer of up to, but not including, 50% of the total number of outstanding Units in any consecutive 12-month period. The Purchase Offer and the Merger would result in a transfer of all of the outstanding Units (except the 15 Units held by the General Partner). Accordingly, the General Partner is proposing, at the request of the Joint Venture and the Purchaser, the deletion of Section 7.01.B from the Partnership Agreement to facilitate consummation of the Purchase Offer and the Merger.

Text of the Amendment. Section 7.01.B of the Partnership Agreement, which currently reads as follows, would be deleted entirely by the Amendment:

No assignment of any Interest may be made if the assignment is pursuant to a sale or exchange of the Interest and if the Interest sought to be assigned, when added to the total of all other Interests assigned within a period of 12 consecutive months prior thereto, would, in the opinion of legal counsel for the Partnership, result in the Partnership being deemed to have been terminated within the meaning of section 708 of the Code. The General Partner shall give Notification to all Limited Partners in the event that sales or exchanges should be suspended for such reason. Any deferred sales or exchanges shall be made (in chronological order to the extent practicable) as of the first day of an Accounting Period after the end of any such 12-month period, subject to the provisions of this Article Seven.

3. Revision of Restriction on Timing of Transfers. Section 7.01.A of the Partnership Agreement permits the assignment of Units only on the first day of an Accounting Period. The Amendment to Section 7.01.A would eliminate this restriction for the transfer of Units to the Purchaser pursuant to the Purchase Offer, and would exempt the Purchaser from this restriction for any subsequent transfer of Units to another entity.

Purpose and Effect of the Amendment. Section 7.01A of the Partnership Agreement permits the assignment of Units only on the first day of each Accounting Period. Without amending the Partnership Agreement to permit the waiver of this requirement, the closing date for the Purchase Offer would have to fall on the first day of an Accounting Period, rather than an earlier or later date that otherwise would be chosen as the closing date. Accordingly, the General Partner has proposed, at the request of the Joint Venture and the Purchaser, the inclusion in Section 7.01.A of a provision that would eliminate the Section 7.01.A transfer restrictions for Units transferred pursuant to the Purchase Offer. This change would permit the transfer of such Units and the closing of the Purchase Offer to occur on the earliest date practicable following the expiration of the Purchase Offer, and in any event, on such date as is necessary to facilitate the orderly consummation of the Purchase Offer. The General Partner also has proposed, at the request of the Joint Venture and the Purchaser, that Unitholders exempt the Purchaser from this restriction for all subsequent assignments of its Units to any other entity in order to provide the Purchaser with the flexibility to transfer its Units on such date that may be necessary to facilitate the transfer. Because such transfers would occur in isolated

transactions, the General Partner does not believe that, as a result of such transfers, the Partnership would be treated as an association taxable as a corporation under Section 7704 of the Code.

Text of the Amendment. Section 7.01.A of the Partnership Agreement would be revised to add the underlined language set forth below:

> No assignment of any Interest may be made other than on the first day of an Accounting Period, provided, however, that this restriction on the timing of assignment shall not apply to (i) any transfer of Units by Limited Partners to CBM I Holdings LLC or (ii) any subsequent assignment of any Units by CBM I Holdings LLC.

4. Amendments to Provisions Relating to Allocations of Profits and Losses and Distributions of Cash. Section 4.05 of the Partnership Agreement provides that net profits, gains, net losses or losses attributable to Units that are transferred during the taxable year shall be allocated between the transferor and transferee according to the number of accounting periods in such taxable year that each owned the Units. If Units are transferred on a date other than the first day of an accounting period, in violation of the transfer restriction imposed by Section 7.01.A of the Partnership Agreement (discussed above under "--Revision of Restriction on Timing of Transfers"), Section 4.05 requires that net profits, gains, net losses or losses attributable to the Units for the accounting period in which the transfer occurs shall be prorated between the transferor and the transferee if, and to the extent, legally required in the opinion of legal counsel. Section 4.07 of the Partnership Agreement provides that cash available for distribution with respect to each fiscal year of the Partnership shall be distributed at least annually. Section 4.10 of the Partnership Agreement provides that cash available for distribution with respect to Units shall be distributed to the limited partners pro rata in accordance with the number of Units held by each as of the end of the accounting period with regard to which the distribution relates. The Amendments to these provisions would clarify that Unitholders (1) would receive allocations of profit or loss on their Units up through the Effective Date rather than through the end of the preceding accounting period, (2) would receive a distribution from cash available for distribution for the period ending on the day prior to the date of the entry of the judgment order, and (3) would not receive any additional cash distributions (including any sale or refinancing proceeds) relating to periods beginning on or after the date of the entry of the judgment order (which cash distributions would inure to the benefit of the Purchaser), unless an appeal is filed with regard to the judgment order (other than an appeal that relates solely to counsel fees and expenses), in which case the Unitholders also would receive a distribution of cash available for distribution for the period beginning on the date the judgment order is entered and ending on the Effective Date.

Purpose and Effect of the Amendments. The change to Section 4.07 of the Partnership Agreement has been proposed to permit Unitholders to receive a distribution of cash available for distribution from the Partnership for the period ending on the day prior to the date of the entry of the judgment order, as required by the terms of the Settlement Agreement. In the event an appeal is timely filed with regard to the judgment order after it is entered (other than an appeal that relates solely to counsel fees and expenses), the proposed change to Section 4.07 also would permit the Unitholders to receive a distribution of cash available for distribution from the Partnership for the period beginning on the date the judgment order is entered and ending on the Effective Date. Because the Partnership distributes cash available for distribution on an annual basis in accordance with Section 4.07.A, Section 4.10 otherwise would cause all cash distributions (including sale or refinancing proceeds) with respect to the Units to be made to the Purchaser if the Unitholders disposed of their Units before the end of the accounting period ending prior to the date of any such distributions from the Partnership. As a result of amending Section 4.07 so as to require the distributions described in the Settlement Agreement, the Unitholders will receive a distribution of cash available for distribution for the period ending on the day prior to the entry of the judgment order and, if an appeal is filed with regard to the judgment order (other than an appeal that relates solely to counsel fees and expenses), a distribution of cash available for distribution for the period beginning on the date the judgment order is filed and ending on the Effective Date but will receive no distributions for any period after the Effective Date.

The proposed Amendment to Section 4.05 would require the Partnership to allocate net profits, gains, net losses and losses with respect to the Units for the fiscal year of the Partnership in

which the judgment order becomes final between the Purchaser and each Unitholder based upon the number of days that each held such Units during such fiscal year (including any short fiscal year for tax purposes resulting from a "technical" termination of the Partnership pursuant to Section 708(b)(1)(B) of the Code). Because the Partnership currently is generating net income, if the judgment order becomes final on a date other than the first day of an Accounting Period, the Amendment would result in a greater amount of taxable income being allocated to the Unitholders than would be the case currently under the Partnership Agreement. However, the additional allocation of taxable income would increase each Unitholder's adjusted tax basis in his Units and, thus, would decrease the amount of capital gain, or increase any capital loss, recognized by the Unitholder in the Purchase Offer or as a result of the Merger. See "Federal Income Tax Considerations--Allocations of Profits and Losses to Participating and Nonparticipating Unitholders."

Text of the Amendments. Section 4.05 of the Partnership Agreement would be amended to add the underlined language set forth below:

> Any Net Profits or Net Losses for any Fiscal Year allocable to the Limited Partners shall be allocated among the Limited Partners pro rata in accordance with the number of Units owned by each as of the end of such Fiscal Year; provided that if any Unit is assigned during the Fiscal Year in accordance with this Agreement, the Net Profits or Net Losses that are so allocable to such Unit shall be allocated between the assignor and assignee of such Unit according to the number of Accounting Periods in such Fiscal Year each owned such Unit. Any Gains or Losses allocable to the Limited Partners shall be allocated among the Limited Partners who held Units on the last day of the Accounting Periods in which the sale or disposition giving rise to such Gains or Losses occurred, pro rata in accordance with the number of Units owned by each such Limited Partner. If any Unit is assigned by a Limited Partner other than on the first day of an Accounting Period (in contravention of the Agreement), then the Partnership shall recognize such assignment for the purposes of allocating Net Profits, Gains, Net Losses or Losses if, and to the extent, it is legally required to do so in the opinion of legal counsel. Notwithstanding the foregoing, each transfer of Units to CBM I Holdings LLC or acquisition of Units pursuant to the merger of CBM Acquisition L.P., an affiliate of CBM I Holdings LLC, with and into the Partnership (the "Merger") pursuant to an agreement and plan of merger (the "Merger Agreement"), with the Partnership surviving, in connection with the settlement of certain claims brought by the Limited Partners against the General Partner and other defendants, as described in the Settlement Agreement, dated as of March 9, 2000 (the "Settlement Agreement"), shall be considered to be in accordance with this Agreement and the Net Profits, Gains, Net Losses or Losses for the Fiscal Year (including any short Fiscal Year resulting from the termination of the Partnership pursuant to Section 708(b)(1)(B) of the Code) in which the transfer occurs shall be allocated between the transferor and the transferee based upon the number of days that each held such Units during such Fiscal Year.

Section 4.07 of the Partnership Agreement would be amended to renumber Section 4.07 as Section 4.07.A and to add new Section 4.07.B, as set forth below:

> Section 4.07.B. To effectuate the terms of the Settlement Agreement, the Partnership shall make the following extraordinary distributions of Cash Available for Distribution within 90 days after the end of the relevant distribution period:
>
> (i) To each Limited Partner, his pro rata share of Cash Available for Distribution, as determined in accordance with the provisions of Section 4.07.A. above, with regard to the period ending on the day prior to the date of the entry of the judgment order relating to the Settlement

Agreement (the "Judgment Order"). Subject to Section 4.07.B(ii) below,
after receipt of this distribution, no Limited Partner shall have a right
to any other distribution from the Partnership pursuant to this Article
Four or any other provision of this Agreement.

(ii) To each Limited Partner, if and only if an appeal with regard to the Judgment Order is timely filed within the time permitted for such appeal (other than an appeal that relates solely to counsel fees and expenses), his pro rata share of Cash Available for Distribution, as determined in accordance with the provisions of Section 4.07.A. above, with regard to the period beginning on the date of the entry of the Judgment Order and ending on the day on which the Judgment Order becomes "final" (as such term is defined in the Settlement Agreement).

Notwithstanding the last sentence of Section 4.10, for allocation and distribution purposes, each Limited Partner who transfers Units pursuant to the Settlement Agreement or the Merger shall be deemed to be a Limited Partner of record as of the end of the Accounting Period prior to each distribution described in Section 4.07.B(i) and (ii) and Section 4.10 shall be applied accordingly.

5. Amendment to Provisions Relating to Authority of the General Partner to Manage the Partnership.

The Partnership Agreement contains provisions providing for appraisal procedures in the event that the Partnership sells any Hotels to the General Partner or any affiliate of the General Partner, and in the event of a distribution of the Partnership's assets in connection with a liquidation. Those appraisal procedures are intended to establish a fair purchase price for the Hotels and the Partnership's assets in those limited circumstances. The Partnership is not currently selling any Hotels or liquidating the Partnership. Accordingly, the Partnership Agreement does not require the Partnership, in connection with the Purchase Offer and the Merger, to conduct an appraisal procedure of the type that would be required in the event of a sale of Hotels to the General Partner or any of its affiliates or in the event of a distribution of the Partnership's assets in connection with a liquidation

The procedure set forth in the Settlement Agreement and the Merger Agreement providing for appraisal of the fair market value of the Units by one or more third parties to establish the value of Units held by holders who have elected to opt-out of the Settlement is not required by the Partnership Agreement. Rather, in connection with the Settlement, a purchase price for the Units in the Purchase Offer, as well as the appraisal process for determining the value of Units held by limited partners who have elected to opt-out of the Settlement, was established through arms-length negotiations between Defendants and Class counsel.

Purpose and Effect of the Amendment. Section 5.01A of the Partnership Agreement currently provides that, except as expressly provided in the Partnership Agreement, the authority of the General Partner to conduct the business of the Partnership shall be exercised only by the General Partner. Section 5.01C of the Partnership Agreement delineates certain powers that the General Partner may exercise without the consent of the limited partners. To the extent that the appraisal procedure for determining the value of Units held by limited partners who have elected to opt-out of the Settlement could otherwise be deemed to fall within the exclusive authority of the General Partner to conduct the business of the Partnership, the proposed amendment to Section 5.01C would clarify that the General Partner has the power to delegate the authority to conduct such appraisal procedures in accordance with the Settlement Agreement and the Merger Agreement.

Text of the Amendment. Section 5.01.C of the Partnership Agreement, would be amended to add the underlined language set forth below:

(vii) sell up to 20 hotels (no more than five Hotels at less than the Partnership's purchase price);

(viii) retain such persons or entities as the General Partner, in its sole discretion, shall deem necessary or appropriate in order to appraise the fair market value of the Hotels and the value of the Units in accordance with the terms of the Settlement Agreement and the Merger Agreement; and

(ix) take such actions as the General Partner determines are advisable or necessary, and will not result in any material adverse effect on the economic position of holders of a majority of the Units, to preserve the tax status of the Partnership as a partnership for Federal income tax purposes.

Federal Income Tax Considerations

Summarized below are the material United States federal income tax considerations of the Settlement.

General. The following discussion summarizes certain federal income tax considerations related to the Settlement that may be relevant to (i) a Unitholder who tenders his Units and submits the required Proof of Claim to the Claims Administrator pursuant to the terms of the Purchase Offer and a Unitholder who does not tender his Units and submit the Proof of Claim but who does not affirmatively "opt-out" of the Settlement (in either case, hereinafter, a "Participating Unitholder"), or (ii) a Unitholder who affirmatively "opts out" of the Settlement and therefore exchanges his Units in the Merger (hereinafter, a "Nonparticipating Unitholder").

The information in this section is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations thereunder, rulings, and other pronouncements and decisions now in effect, all of which are subject to change (perhaps with retroactive effect). The General Partner has not requested, and does not plan to request, any rulings from the IRS concerning the tax treatment of the Unitholders in connection with the Settlement. Thus, it is possible that the IRS would challenge the statements in this discussion, which do not bind the IRS or the courts, and that a court would agree with the IRS.

The discussion set forth herein is not intended to be exhaustive of all possible tax considerations. For example, this summary does not give a detailed discussion of any state, local, or foreign tax considerations. Nor does it discuss all aspects of federal income taxation that may be relevant to specific Unitholders in light of their particular circumstances. Except where specifically indicated, the discussion below describes general federal income tax considerations applicable to individuals who are citizens or residents of the United States. Accordingly, the following discussion has limited application to domestic corporations and persons subject to specialized federal income tax treatment, such as foreign persons, tax-exempt entities, regulated investment companies and insurance companies.

The following discussion includes an estimate by the General Partner, on a per Unit basis, of a Unitholder's adjusted tax basis in his Units (including the amount of syndication costs includible in his basis), the amount of the Partnership's liabilities allocable to such Unitholder, the passive activity loss carry forward, if any, attributable to his ownership of Units and the amount of "unrecaptured Section 1250 gain" that such Unitholder would recognize at the time of the disposition of his Units. These amounts are only estimates, and there could be material differences between these estimated amounts and the actual numbers due to a variety of factors. In addition, these estimates apply only to a Unitholder who purchased his Units on the date of the original offering of the Units and who has held his Units continuously since that time. The estimated amounts could differ considerably for a Unitholder who acquired some or all of his Units after the date of the original offering. The amount of gain recognized by such Unitholders in connection with the disposition of their Units pursuant to the Settlement will depend upon when they acquired their Units and the price they paid for the Units (as adjusted for subsequent allocations of Partnership income and loss and subsequent Partnership distributions).

UNITHOLDERS SHOULD BOTH REVIEW THE FOLLOWING DISCUSSION AND CONSULT WITH THEIR TAX ADVISORS TO DETERMINE THE TAX CONSEQUENCES TO THEM -- INCLUDING ANY STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES -- IN LIGHT OF THEIR PARTICULAR TAX SITUATION, OF CHOOSING TO PARTICIPATE IN THE SETTLEMENT OR OPTING OUT OF THE SETTLEMENT.

The class of Participating Unitholders is represented by Class Counsel, who have engaged Chamberlain, Hrdlicka, White, Williams, and Martin ("Chamberlain Hrdlicka") as special tax counsel. Chamberlain Hrdlicka is separately providing to the Unitholders its summary regarding the potential federal income tax consequences resulting from the Settlement. You should review this summary carefully with your tax advisor. That summary is solely the responsibility of such special tax counsel, and none of the Purchaser, the Partnership, the General Partner, the Joint Venture, Rockledge, the MI Investor, any of the Defendants nor any of their affiliates or advisors express any views with respect to the matters set forth therein or have any responsibility with respect thereto.

Tax Treatment of Participating Unitholders. Each Participating Unitholder will receive, either in the Purchase Offer or pursuant to the Merger, cash in the amount of $134,130 per Unit (or a pro rata portion thereof), before reduction (in the case of class members) for such Unitholder's pro rata share of legal fees and expenses ("Class Counsel's Attorneys' Fees") awarded by the court to Class Counsel (the "Gross Per Unit Settlement Amount"). Each Participating Unitholder very likely will be deemed, solely for federal income tax purposes, to have received two separate amounts, on a per Unit basis: (1) an amount in exchange for his Units (for purposes of this discussion, the "Deemed Unit Purchase Amount"), and (2) a separate amount in settlement of the claims asserted in the Haas Litigation (for purposes of this discussion, the "Deemed Claim Value," which, as described below, may or may not be considered to include the Unitholder's pro rata share of Class Counsel's Attorneys' Fees).

The correct allocation of the Gross Per Unit Settlement Amount between the Deemed Unit Purchase Amount and the Deemed Claim Value for federal income tax purposes is a question of fact and may depend in part upon the fair market value of the Units. None of the Defendants nor any of their affiliates are taking any position regarding the allocation by the Participating Unitholders of the Gross Per Unit Settlement Amount between the Deemed Unit Purchase Amount and the Deemed Claim Value for federal income tax purposes. As described above in "The Merger -- Rights of Unitholders Who Have Elected to Opt-Out of the Settlement," however, Nonparticipating Unitholders will receive cash in the Merger in an amount per Unit equal to the appraised value of a Unit, as determined pursuant to a separate appraisal process that will be completed within 60 days after the Merger. In addition, Class Counsel will assert in court, for purposes of determining their legal fees, that the plaintiffs are receiving in the Settlement benefits resulting from the Haas Litigation with a value that is in excess of the value of the Units under the existing partnership structure and agreements. Finally, the Purchaser and the Defendants will make an allocation between the Deemed Unit Purchase Amount and the Deemed Claim Value for the purpose of determining the Purchaser's initial tax basis in the Units acquired by it through the Purchase Offer and pursuant to the Merger, the Purchaser's share of the Partnership's tax basis in its property and the consequences to the Defendants of the Settlement for tax and financial accounting purposes. There can be no assurance that the IRS would not assert that a Participating Unitholder must treat the appraised value of the Units held by the Nonparticipating Unitholders, the value of the benefits received by the plaintiffs in settlement of the Haas Litigation that is asserted by Class Counsel in their petition for legal fees and expenses, the amounts used by the Purchaser and the Defendants for determining the tax and financial accounting consequences to them of the Settlement, or some other measurement of value as determinative for purposes of allocating the Gross Per Unit Settlement Amount between the Deemed Unit Purchase Amount and the Deemed Claim Value.

Federal Tax Consequences of Disposition of Units. Each Participating Unitholder will be treated as having made a taxable disposition of his Units in the Purchase Offer or pursuant to the Merger. The disposition likely would be deemed to occur, with regard to a Participating Unitholder who tenders his Units and submits the Proof of Claim, on the date his right to receive the Gross Per Unit Settlement Amount becomes fixed, which would be the Effective Date, and, with regard to a Participating Unitholder who does not tender his Units and submit the Proof of Claim, on the

effective date of the Merger. The gain or loss recognized by a Unitholder upon the disposition of his Units will equal the difference between the amount considered realized by the Unitholder for tax purposes in exchange for his Units (as described in the next paragraph) and the Unitholder's adjusted tax basis in such Units (described below under "Basis of Units of Participating and Nonparticipating Unitholders").

The amount considered realized by each Participating Unitholder will equal the sum of the following items: (1) the cash received for his Units at the time of the disposition (which will equal the Deemed Unit Purchase Amount and will be deemed to include any amount owed by the Unitholder on the original purchase price of his Units), and (2) the portion of the Partnership's liabilities allocable to the Participating Unitholder's Units for federal income tax purposes immediately prior to the date of the disposition of such Units. The General Partner estimates that, as of December 31, 1999, the dollar amount of the Partnership's liabilities allocable to each Participating Unitholder was approximately $238,000 per Unit.

A Unitholder will recognize gain to the extent that the amount realized by him in exchange for his Units (as determined in the preceding paragraph) exceeds his adjusted tax basis in the Units (as described below under "Basis of Units of Participating and Nonparticipating Unitholders"). The taxable gain recognized by the Participating Unitholder will exceed the cash amount received with respect to his Units by an amount equal to the excess (if any) of his share of the Partnership's liabilities allocable to him for federal tax purposes over his adjusted tax basis in his Units (which is commonly referred to as a "negative capital account").

For a discussion of the federal income tax rates applicable to the gain recognized by a Unitholder from the disposition of a Unit that has been held as a capital asset by the Unitholder, see "Federal Income Tax Rates Applicable to Gain from Disposition of Units by Participating and Nonparticipating Unitholders" below.

Federal Tax Consequences of Receipt of Deemed Claim Value. As noted above, there can be no certainty as to what portion of the Gross Per Unit Settlement Amount would be considered allocable to the Deemed Claim Value (rather than the Deemed Unit Purchase Amount). Moreover, there is considerable uncertainty in the law as to how amounts that are treated as allocable to the Deemed Claim Value received by a Participating Unitholder would be characterized for federal income tax purposes.

The determination of the character and amount of income and gain recognized by a plaintiff in connection with payments received in settlement of litigation depends on many factors, including the nature and relative merits of the claims made in the litigation that is being settled, and whether a portion of the settlement payment that may otherwise be characterized as capital in nature is subject to recharacterization as ordinary income to reflect certain tax benefits realized by the plaintiff in prior years. In general, an amount received in settlement of a claim may be characterized as ordinary income (if the amount relates to lost profits or punitive damages) or a return of capital or capital gain (if the amount relates to injury to capital assets).

The complaints of the plaintiffs in the Haas Litigation are specified in their pleadings filed in that litigation. As described in the preceding paragraph, to the extent the plaintiffs' complaints might be construed as relating to injury to capital assets, a recovery attributable to those complaints may result in the recognition of capital gain by the plaintiffs. Conversely, to the extent the plaintiffs' complaints might be construed as asking for lost profits or punitive damages, a recovery attributable to those complaints may result in the recognition of ordinary income by the plaintiffs. The Settlement Agreement does not address the relative merits of any of the claims and does not provide for an allocation of all or a part of the Gross Per Unit Settlement Amount to any specific claim. Moreover, there will be no judicial determination of the merits of any of the various claims or the proper allocation of the Gross Per Unit Settlement Amount among the claims. To the extent that a Participating Unitholder takes the position that the Deemed Claim Value should be characterized as a return of capital or capital gain, there can be no assurance that the IRS would not challenge this position and determine that some or perhaps even all of the Deemed Claim Value should be treated by a Participating Unitholder as ordinary income for federal income tax purposes.

In the event that any interest accrued on the Deemed Claim Value is payable to a Participating Unitholder, such Participating Unitholder will be required to treat the interest as ordinary income for federal income tax purposes.

Tax Treatment of Class Counsel's Attorneys' Fees. As described above in "The Settlement--The Settlement Agreement," the Net Settlement Amount reflects a reduction for each Participating Unitholder's pro rata share of Class Counsel's Attorneys' Fees. The IRS could take the position that each Participating Unitholder must include in income his share of Plaintiff's Counsel's Attorneys' Fees. There is existing judicial authority that would support a position that, under certain circumstances, a plaintiff's attorneys' fees and expenses that are paid by a defendant in litigation pursuant to a judgment or settlement are excludable from the income of the plaintiff; however, the facts in these cases are distinguishable from the facts underlying the Haas Litigation, and there can be no assurance that a court would follow the decisions in those cases. The determination of whether a Participating Unitholder must include in income his share of Class Counsel's Attorneys' Fees may depend upon the laws of Texas or that of another state (including the Participating Unitholder's state of residence) regarding the relative rights under state law of a particular Participating Unitholder and of Class Counsel to that portion of the Deemed Claim Value represented by legal fees and expenses.

In the event that a Participating Unitholder must include his share of the Class Counsel's Attorneys' Fees in income, the characterization of that amount as ordinary income or capital gain would depend on the manner in which the balance of the Deemed Claim Value is correctly characterized. For example, if the Deemed Claim Value were determined to be allocable between claims for lost profits and claims for injury to a capital asset, the legal fees allocated to lost profits will be treated as ordinary income and the legal fees allocated to the capital asset claim likely will be treated as a return of capital or capital gain.

A Participating Unitholder may be able to claim a deduction on his federal income tax return with regard to all or a portion of the Class Counsel's Attorneys' Fees paid on his behalf by the Defendants to the extent those amounts are required to be included in income. If the Participating Unitholder is required to treat part of the Deemed Claim Value as ordinary income, the corresponding part of the legal fees and expenses paid on his behalf that are required to be included in income may be deductible currently under Section 162 (which addresses trade or business expenditures) or Section 212 (which addresses expenditures for the production of income) of the Code. Because (among other things) each Participating Unitholder is a limited partner rather than a general partner, such Participating Unitholder may not be able to prove that legal fees and expenses incurred in the Litigation are properly characterized as trade or business expenditures, which is the necessary prerequisite for an ordinary deduction under Section 162. Even if a Participating Unitholder takes the position that all or a portion of the Class Counsel's Attorneys' Fees that he is required to include in income relates to the production of income and such position is respected (with the result that the fees and expenses fall under Section 212), if such Participating Unitholder is an individual, the Class Counsel's Attorneys' Fees would be treated as a miscellaneous itemized deduction that is allowable as a deduction only to the extent that the Participating Unitholder's total miscellaneous itemized deductions (including the Class Counsel's Attorneys' Fees) exceeds two percent (2%) of his adjusted gross income. Such deduction will be subject to reduction if the Participating Unitholder's "adjusted gross income" for the tax year with regard to which the deduction relates exceeds a specified amount (which amount, for 2000, is $128,950 (or $64,475 in the case of a married individual filing a separate return)). In calculating his "alternative minimum taxable income," a Participating Unitholder who is an individual will not be able to utilize any miscellaneous itemized deductions.

A Participating Unitholder will be required to capitalize (i.e., add to the adjusted tax basis in his Units) any portion of the Class Counsel's Attorneys' Fees that are paid on his behalf by the Defendants and that relate to capital asset claims, resulting in a reduction of the total amount of capital gain, or an increase in any capital loss, recognized by the Participating Unitholder as a result of the Settlement.

Tax Treatment of Nonparticipating Unitholders. Each Nonparticipating Unitholder will be treated as having made a taxable disposition of his Units pursuant to the Merger, which

disposition would be deemed to occur on the effective date of the Merger. The gain or loss recognized by a Nonparticipating Unitholder upon the disposition of his Units will equal the difference between the amount considered realized by the Unitholder for tax purposes in exchange for his Units in the Merger and the Unitholder's adjusted tax basis in such Units. See "Basis of Units of Participating and Nonparticipating Unitholders" below.

The amount realized by each Nonparticipating Unitholder will equal the sum of the following items: (1) the cash received for his Units at the time of the Merger (as determined in accordance with the procedures described above in "The Settlement--The Merger--Rights of Unitholders Who Have Elected to Opt-Out of the Settlement"), which will be deemed to include any amount owed by the Nonparticipating Unitholder on the original purchase price of his Units, and (2) the portion of the Partnership's liabilities allocable to the Nonparticipating Unitholder's Units for federal income tax purposes immediately prior to the Merger. The General Partner estimates that, as of December 31, 1999, the dollar amount of the Partnership's liabilities allocable to each Nonparticipating Unitholder was approximately $238,000 per Unit.

To the extent that the amount realized, as determined in the preceding paragraph, exceeds the Nonparticipating Unitholder's adjusted tax basis in the Units, such Nonparticipating Unitholder will recognize gain. The taxable gain recognized by the Nonparticipating Unitholder will exceed the cash amount received with respect to his Units by an amount equal to the excess (if any) of his share of the Partnership's liabilities allocable to him for federal tax purposes over his adjusted tax basis in his Units (which is commonly referred to as a "negative capital account").

For a discussion of the federal income tax rates applicable to the gain recognized by a Nonparticipating Unitholder from the disposition of a Unit that has been held as a capital asset by the Nonparticipating Unitholder, see "--Federal Income Tax Rates Applicable to Gain from Disposition of Units by Participating and Nonparticipating Unitholders" below.

Allocations of Profits and Losses to Participating and Nonparticipating Unitholders. Pursuant to the Amendments, Unitholders will be allocated Partnership profits and losses through the period ending on the date that the judgment order relating to the Settlement becomes final. However, if no appeal is filed after the judgment order is entered, Unitholders will receive a final distribution of cash available for distribution (in accordance with the terms of the Partnership Agreement) for the period ending on the day before the date the judgment order is entered. Unitholders will not receive any distribution that relates to the period beginning on the date of the entry of the judgment order and ending on the date the judgment order becomes final (the "Appeal Period") unless an appeal is filed with regard to the judgment order during the Appeal Period (other than an appeal relating solely to counsel's fees), in which event Unitholders also will receive a distribution of cash available for distribution (in accordance with the terms of the Partnership Agreement) for the Appeal Period. Any allocation of taxable income received by a Unitholder with regard to the Appeal Period will increase such Unitholder's adjusted tax basis in his Units and, thus, will decrease the amount of capital gain, or increase any capital loss, recognized by the Unitholder as a result of the disposition of his Units in the Purchase Offer or pursuant to the Merger. Any distribution received by a Unitholder will decrease such Unitholder's adjusted tax basis in his Units and, consequently, will increase the amount of capital gain, or decrease any capital loss, recognized by the Unitholder as a result of the disposition of his Units.

Basis of Units of Participating and Nonparticipating Unitholders. In general, a Unitholder had an initial tax basis in his Units ("Initial Basis") equal to his cash investment in the Partnership, plus his share of the Partnership's liabilities allocable to him for tax purposes at the time he acquired his Units. A Unitholder's Initial Basis generally has been increased by (1) such Unitholder's share of Partnership taxable income, and (2) any increases in his share of liabilities of the Partnership. Generally, such Unitholder's Initial Basis has been decreased (but not below zero) by (a) his share of Partnership cash distributions, (b) any decreases in his share of liabilities of the Partnership, (c) his share of losses of the Partnership, and (d) his share of nondeductible expenditures of the Partnership that are not chargeable to capital. A Unitholder's basis in his Units would include his share of the syndication costs incurred by the Partnership at formation if he acquired his Units in the original offering.

The General Partner estimates that, as of December 31, 1999, a Unitholder who acquired his Units at the time of the original offering of such Units and has held such Units at all times since the offering would have an adjusted basis in each Unit of approximately $201,000 (which amount includes approximately $238,000 attributable to his share of the Partnership's nonrecourse liabilities). Accordingly, such a Unitholder has a "negative capital account" with respect to his Units of approximately $37,000, and thus the gain recognized on any disposition of those Units would exceed the cash received therefor by that amount. Such Unitholder's share of syndication costs would be approximately $11,000 per Unit.

Federal Income Tax Rates Applicable to Gain from Disposition of Units by Participating and Nonparticipating Unitholders. The disposition of Units by a Unitholder in the Purchase Offer or pursuant to the Merger generally will result in the recognition of capital gain by the Unitholder with respect to the Deemed Unit Purchase Amount if the Units have been held by the Unitholder as a capital asset. For corporations, the maximum rate of tax on the net capital gain from a sale or exchange of a capital asset held for more than twelve months is currently 35%. Generally, non-corporate Unitholders (i.e., individuals, trusts and estates) who have held their Units as capital assets for more than 12 months will be taxed at a maximum long-term capital gain rate of 20% on the disposition of those Units. However, a maximum rate of 25% for non-corporate Unitholders may apply to capital gain that is recognized as a result of the transfer of Units in the Purchase Offer or pursuant to the Merger to the extent such capital gain is treated as "unrecaptured section 1250 gain" (i.e., previously claimed depreciation deductions with respect to depreciable real property that would not be recaptured as ordinary income pursuant to Sections 751 and 1250 of the Code, as described in the next paragraph). While there is some uncertainty regarding the issue, the IRS takes the position, for which there is support in legislative history, that a Unitholder who has held his Units for more than one year prior to the disposition of those Units will be subject to the 25% capital gain tax rate on his share of the Partnership's "unrecaptured Section 1250 gain." Regulations proposed by the IRS that were issued in August of 1999 would treat the amount of "unrecaptured Section 1250 gain" that a partner must recognize upon the disposition of his partnership interest as his share of the amount that would result if his partnership had transferred all of its Section 1250 property in a fully taxable transaction immediately prior to the disposition of his partnership interest. There can be no assurance that such proposed regulations, if adopted, would be adopted in their proposed form without substantive revisions. Accordingly, Unitholders are urged to consult with their own tax advisors with respect to their capital gain tax liability.

In addition, to the extent that the amount realized on the disposition of the Units attributable to a Unitholder's share of the Partnership's inventory items and/or "unrealized receivables" (as defined in Section 751 of the Code) exceeds the basis attributable to those assets, such excess will be treated as ordinary income, taxable to non-corporate Unitholders at a maximum statutory rate of 39.6%. Unrealized receivables include amounts that would be subject to recapture as ordinary income if the Partnership had sold its assets at their fair market value at the time of the disposition of the Units, such as "depreciation recapture" under Sections 1245 and 1250 of the Code.

The General Partner estimates that, as of December 31, 1999, the "unrecaptured Section 1250 gain" of the Partnership that is taxable to non-corporate Unitholders at the 25% capital gain rate was approximately $87,000 per Unit with regard to a Unitholder who acquired his Units in the original offering of Units by the Partnership.

The General Partner has not estimated the fair market value of the Partnership's personal property, and thus takes no position at this time as to whether the value is such that a Unitholder would recognize ordinary income pursuant to Sections 751 and 1245 upon the disposition of his Units. In any event, the ordinary income amount would be equal to the Unitholder's share of the excess, if any, of the value of such personal property at the time of disposition of the Units over its adjusted basis at such time. For purposes of determining its share of the Partnership's tax basis in its personal property after the Purchase Offer and the Merger, however, the Purchaser will take the position that the fair market value of the Partnership's personal property is equal to its adjusted tax basis at the time of the Purchase Offer and the Merger. If this position is respected by the IRS, no ordinary income would be recognized pursuant to Sections 751 and 1245; however, there can be no assurance that the IRS will respect the Purchaser's position.

Passive Activity Income and Loss Carryforwards of Participating and Nonparticipating Unitholders. Any gain recognized by a Unitholder in connection with the disposition of his Units pursuant to the Settlement will constitute "passive activity income" for purposes of the "passive activity loss" limitation rules. Accordingly, such income generally may be offset by losses from all sources, including "passive activity loss" carryforwards with respect to the Partnership and "passive" or active losses from other activities. The General Partner estimates that, as of December 31, 1999, a Unitholder who purchased his Units at the time of the original offering, has held those Units continuously since that time, and whose Units have been his only investment in a passive activity would not have any passive activity loss carryforward with respect to his Units.

Federal Tax Withholding Applicable to Participating and Nonparticipating Unitholders. The federal income tax laws require that taxes be withheld on amounts payable to foreign persons by reason of a disposition of certain United States real property interests, which includes interests in certain partnerships that hold real property in the United States. Withholding of ten percent (10%) of the amount realized by a Unitholder pursuant to the Purchase Offer or the Merger may be required unless the Unitholder completes, executes and returns the Certificate of Non-Foreign Status included in the Proof of Claim. Because uncertainty exists as to the correct allocation of the amount received by a Participating Unitholder in the Purchase Offer or pursuant to the Merger between the Deemed Unit Purchase Amount and the Deemed Claim Value, solely for purposes of determining any amounts required to be withheld, the "amount realized" by a Participating Unitholder will be treated as the sum of (1) the amount of $134,130 per Unit (or a pro rata portion thereof) plus (2) the Participating Unitholder's share of the Partnership's nonrecourse liabilities immediately prior to the disposition of his Units. The "amount realized" by a Nonparticipating Unitholder will be treated as the sum of (a) the cash amount received for his Units at the time of the Merger (which will be deemed to include any amount owed by the Nonparticipating Unitholder on the original purchase price of his Units), plus (b) the Nonparticipating Unitholder's share of the Partnership's nonrecourse liabilities immediately prior to the disposition of his Units. See "Important Tax Information" in the Proof of Claim.

Even if a Unitholder chooses not to return the rest of the Proof of Claim, he should return the Certificate of Non-Foreign Status to prevent federal income tax withholding on the amounts payable to him pursuant to the Settlement.

* * * * *

BECAUSE THE INCOME TAX CONSEQUENCES OF THE DISPOSITION OF UNITS PURSUANT TO THE SETTLEMENT WILL NOT NECESSARILY BE THE SAME FOR ALL UNITHOLDERS, UNITHOLDERS CONSIDERING TENDERING THEIR UNITS SHOULD CONSULT THEIR TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS.

Selected Historical Consolidated Financial Data

	1Q 2000	1Q 1999	1999	1998	1997	1996	1995
	(in thousands, except for per unit amounts)						
Income Statement Data:							
Revenues	$ 48,013	$ 48,230	$206,074	$201,250	$189,552	$181,639	$170,799
Operating profit	10,074	10,730	43,896	44,276	40,683	35,985	30,752
Net Income before extraordinary items	4,551	4,865	19,601	18,885	15,340	13,454	4,988
Net income	4,551	4,865	19,601	18,885	27,813	13,454	4,988
Net income before extraordinary items per LP unit (1,150 Units)	3,759	4,019	16,192	15,601	12,672	11,114	4,120
Net Income per LP unit (1,150 Units)	3,759	4,019	16,192	15,601	22,976	11,114	4,120
Ratio of earnings to fixed charges (1)	1.90	1.92	1.88	1.84	1.72	1.70	1.33
Balance Sheet Data:							
Total assets:	$326,768	$333,025	$328,860	$331,246	$331,406	$330,509	$338,740
Total liabilities:	344,915	352,965	347,321	356,046	362,991	349,839	369,224
Cash distributions per LP unit (1,150 Units)	3,500	3,000	11,000	10,000	35,000	2,000	-

(1) The ratio of earnings to fixed charges is unaudited and is computed by dividing the Partnership's net income before interest expense, and other fixed charges by total fixed charges. Fixed charges consist of interest expense (including amortization of deferred financing costs) and the portion of rent expense attributed to interest.

Description of Real Estate

Hotels. The Partnership was formed on July 15, 1986 to acquire and own 50 Courtyard by Marriott hotels and the respective fee or leasehold interests in the land on which the Hotels are located. The Hotels are located in 16 states and contain a total of 7,223 guest rooms as of December 31, 1999. The Partnership commenced operations on August 20, 1986 and will terminate on December 31, 2086, unless earlier dissolved.

Each of the Partnership's Courtyard by Marriott Hotels is designed around a courtyard area containing a swimming pool (indoor pool in northern climates), walkways, landscaped areas and a gazebo. Each Hotel generally contains a small lobby, a restaurant with seating for approximately 50 guests, a lounge, a hydrotherapy pool, a guest laundry, an exercise room and two small meeting rooms. The Hotels do not contain as much public space and related facilities as full-service hotels.

The properties consisted of 50 Hotels as of December 31, 1999. The Hotels range in age between 12 and 17 years. The Hotels are geographically diversified among 16 states, and no state has more than nine Hotels.

The following table summarizes certain attributes of each of the Hotels.

SUMMARY OF PROPERTIES
(50 COURTYARD HOTELS)

Location	Rooms
Alabama	
Montgomery (1)	146
Arizona	
Phoenix Airport (1)	145
California	
Buena Park (1)	145
Freemont (1)	146
Pleasanton	145
Sacramento-Rancho Cordova	144
San Francisco Airport (2)	147
Santa Ana (1)	145
Connecticut	
Windsor (1)	149
Florida	
Melbourne (1)	146
Miami Airport-West (1)	145
Tallahassee (1)	154
Georgia	
Atlanta-Delk Road (1)	146
Atlanta-Executive Park (1)	145
Atlanta-Northlake (2)	128
Atlanta-Peachtree Corners	131
Atlanta-Peachtree Dunwoody	128
Atlanta-Windy Hill	127
Augusta	130
Columbus	139
Savannah	144
Illinois	
Naperville (1)	147
Maryland	
Hunt Valley (1)	146
Landover	152
Rockville (1)	147
Michigan	
Dearborn (1)	147
Southfield	147
Troy	147
Warren	147
North Carolina	
Charlotte-Arrowood Road (1)	146
Raleigh-Wake Forest Road	153
New York	
Tarrytown	139
Ohio	
Cincinnati-Blue Ash (1)	140
Columbus-Dublin (1)	147
Columbus-Worthington (1)	145
Pennsylvania	
Valley Forge (1)	150
Tennessee	
Brentwood (1)	145
Memphis-Park Avenue East (1)	146
Texas	
Arlington	147
Bedford (1)	145
Dallas-Addison (1)	145
Dallas-Las Colinas	147
Dallas-LBJ Northwest (1)	146
San Antonio Airport (1)	145
San Antonio-Medical Center (1)	146
Virginia	
Fair Oaks	144
Herndon (1)	146
Hampton (1)	146
Richmond (1)	145
Virginia Beach (1)	146
Total rooms:	7,223

(1) Land is leased from an affiliate of Marriott International.
(2) Land is leased from a third party.

Property Improvement Fund. The Hotels routinely purchase furniture and equipment. The Partnership has a property improvement fund for the Hotels. The funding of this reserve is based on a percentage of gross Hotel revenues. The contribution to the property improvement fund has been established at 6% for all Hotels and may be increased, at the option of the Manager, to 7% of gross Hotel revenues in 2001.

Debt. On March 21, 1997 both the Partnership's existing mortgage debt on 49 of the Partnership's Hotels and the Partnership's existing mortgage debt on the Windsor CT Hotel (collectively, the "Loan") were refinanced. The total amount of the debt was increased from $280.8 million to $325.0 million. The $44.2 million of excess refinancing proceeds were used to: (i) make a $7 million contribution to the property improvement fund to cover anticipated shortfalls; (ii) pay approximately $7 million of refinancing costs; and (iii) make a $30.2 million partial return of capital distribution to the partners. The Loan is non-recourse and requires monthly payments of interest at a fixed rate of 7.865% and principal based on a 20-year amortization schedule. The Loan has a scheduled maturity of April 10, 2012; however, the loan maturity can be extended for an additional five years. During the extended loan term, the Loan bears interest at an Adjusted Rate, as defined, and all cash flow from Partnership operations will be used to amortize the principal balance of the Loan. As of December 31, 1999, the principal balance of the Loan was $305.1 million.

The refinanced mortgage Loan is secured by first mortgages on all 50 of the Partnership's Hotels, related personal property, and the land on which the Hotels are located or an assignment of the Partnership's interest under the land leases. No guarantees have been provided by Host Marriott or Marriott International. As additional security, affiliates of Marriott International, as the land lessors, agreed to continue to subject their ownership interest as well as receipt of ground rent to debt service on the mortgage loan.

Leases. The land on which 31 of the Hotels are located is leased from affiliates of Marriott International. In addition, two of the Hotels are located on land leased from third parties. The land leases have remaining terms (including renewal options) expiring between the years 2058 and 2081. The Marriott International land leases and the third party land leases provide for rent based on specific percentages (from 2% to 9.75%) of gross sales in certain categories, subject to minimum amounts. The minimum rentals are adjusted at various anniversary dates throughout the lease terms, as defined in the agreements. See "The Settlement--Certain Transactions with the Partnership."

Competitive Conditions. The moderately priced lodging segment continues to be highly competitive. An increase in supply growth continued through 1999 with the introduction of a number of new national brands. The Partnership is continually making improvements at the Hotels intended to enhance the overall value and competitiveness of the Hotels. It is expected that the Partnership will continue outperforming both national and local competitors. The brand is continuing to carefully monitor the introduction and expansion of new mid-priced brands including Wingate Hotels, Hilton Garden Inns, Four Points by Sheraton, AmeriSuites, Hampton Inn and Hampton Inn and Suites.

Insurance. The General Partner believes that the Hotels are adequately covered by insurance.

Operating Data

The following chart sets forth the combined average occupancy and the combined average daily room rates of the Hotels for each of the last five years.

	First Quarter 2000	First Quarter 1999	1999	1998	1997	1996	1995
Combined average occupancy	76.4%	79.1%	79.1%	79.7%	80.0%	79.2%	81.0%
Combined average room rate	$93.48	$90.18	$89.54	$87.09	$81.10	$76.39	$71.23

The Partnership's tax basis of its property and equipment is recorded at cost. The Partnership depreciates its assets using the Modified Accelerated Cost Recovery System method ("MACRS") for tax purposes. Under MACRS, buildings and improvements are depreciated over 15 to 39 years while furniture and equipment is depreciated over five years.

The Partnership's 50 Hotels are located in various real estate taxing jurisdictions. Therefore, the real estate tax rates vary by jurisdiction. 1999 real estate tax expense was $6.6 million.

The Partnership is engaged solely in the business of owning and operating Hotels and, therefore, is engaged in one industry segment.

Terms of the Purchase Offer

Upon the terms, and subject to the conditions of, the Purchase Offer (including, if the Purchase Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and thereby purchase all Units validly tendered on or prior to the Expiration Date and not validly withdrawn in accordance with the procedures described under the heading "--Withdrawal Rights" of this Purchase Offer and Consent Solicitation. The term "Expiration Date" means 12:00 midnight, New York City time, on [weekday], _____ __, 2000, unless and until the Purchaser, in its sole discretion, shall have extended the period of time during which the Purchase Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Purchase Offer, as so extended by the Purchaser, shall expire.

The Purchaser expressly reserves the right, in its sole discretion, at any time or from time to time, to extend the period during which the Purchase Offer is open by giving oral or written notice of such extension to the Claims Administrator and making a public announcement thereof. There can be no assurance that the Purchaser will exercise its right to extend the Purchase Offer. During any such extension, all Units previously tendered and not withdrawn will remain subject to the Purchase Offer and subject to the right of a tendering Unitholder to withdraw such Units. See "--Withdrawal Rights." For purposes of this Purchase Offer, a "business day" means any day other than a Saturday, Sunday, or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

Subject to applicable rules and regulations of the SEC and to the provisions of the Settlement Agreement and any applicable court order, the Purchaser reserves the right, at any time or from time to time, to (a) terminate the Purchase Offer and not accept for payment any Units, (b) delay acceptance for payment or, regardless of whether such Units were accepted for payment, payment for, any Units and not pay for any Units not accepted for payment or paid for, until such time as the first condition referred to under the heading "The Settlement--Conditions of the Purchase Offer and the Merger" is satisfied, (c) waive any unsatisfied condition (if it is waivable) to its obligation to acquire Units pursuant to the Purchase Offer, (d) extend the period of time during which the Purchase Offer is open, or (e) otherwise amend the Purchase Offer. Whenever the Purchaser extends the period during which the Purchase Offer is open, makes a material change in the terms of the Purchase Offer, waives a condition of the Purchase Offer, terminates the Purchase Offer or otherwise amends the Purchase Offer, it will give oral or written notice of such event to the Claims Administrator and make a public announcement thereof in the manner provided below. The Purchaser acknowledges that (a) Rule 14e-1(c) under the Exchange Act requires the Purchaser to pay the consideration offered or return the Units tendered promptly after the termination or withdrawal of the Purchase Offer (except as provided in clause (b) of the first sentence of this paragraph) and (b) upon and after the Expiration Date, the Purchaser may not delay acceptance for payment of, or payment for (except as provided in clause (b) of the first sentence of this paragraph), any Units if the second or third conditions specified under the heading "The Settlement--Conditions of the Purchase Offer and the Merger" have been satisfied, without extending the period of time during which the Purchase Offer is open.

Any extension, delay in payment, termination, waiver of conditions, or material amendment to the terms of the Purchase Offer will be followed as promptly as practicable by a public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which the Purchaser may choose to make any public announcement, subject to applicable law (including Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act, which require that material changes be promptly disseminated to holders of Units), the Purchaser shall have no obligation to publish, advertise or otherwise communicate any

such public announcement other than by issuing a release to the Dow Jones News Service or by letter sent to the Unitholders.

If the Purchaser makes a material change in the terms of the Purchase Offer or the information concerning the Purchase Offer, or waives a material condition of the Purchase Offer, the Purchaser will extend the Purchase Offer and disseminate additional tender offer materials to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act. Those rules prescribe that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer, other than a change in price or a change in percentage of securities sought or in any dealer's soliciting fee, will depend upon the facts and circumstances, including the relative materiality of the terms or information changed. The SEC has announced in a published release that in its view a tender offer must remain open for a minimum period of time following a material change in the terms of a tender offer or in information concerning a tender offer. The release states that a tender offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to security holders and that, if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of 10 business days may be required to allow for adequate dissemination and investor response.

If, by the Expiration Date, the second condition to the Purchase Offer set forth under the heading "The Settlement--Conditions of the Purchase Offer and Merger," has not been satisfied, the Purchaser may, in its sole discretion, elect to (a) extend the Purchase Offer and, subject to applicable withdrawal rights, retain all tendered Units until the expiration of the Purchase Offer, as extended, subject to the terms of the Purchase Offer, (b) waive the unsatisfied condition and not extend the Purchase Offer or (c) terminate the Purchase Offer and return all tendered Units to tendering Unitholders and be relieved from any obligations under the Settlement Agreement.

If an order of an appropriate court denying approval of the Settlement becomes final after all applicable appeals have been exhausted or if the parties to the Settlement Agreement decide to terminate the Settlement as to the Partnership, the Purchase Offer will terminate and all tendered Units will be returned to the tendering Unitholders as soon as practicable.

The Partnership has provided the Purchaser and the Claims Administrator with a list of Unitholders and security position listings for the purpose of disseminating the Purchase Offer and Consent Solicitation to Unitholders. This Purchase Offer and Consent Solicitation and the related documents and, if required, other relevant materials will be mailed to record holders of Units and will be furnished for subsequent transmittal to beneficial owners of Units to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the Unitholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Units.

The Purchaser does not currently intend to make available a "subsequent offering period" as provided for in Rule 14d-11 of the Exchange Act.

Settlement Fund; Acceptance for Payment; Payment for Units

Upon the terms and subject to the conditions of this Purchase Offer and Consent Solicitation (including, if the Purchase Offer is extended or amended, the terms and conditions of any such extension or amendment), on or before the third business day following the entry by the Court of an executed judgment order approving the Settlement, the Purchaser or the Joint Venture, or one or more of their designees, will pay or cause to be paid by wire transfer the settlement funds to the Escrow Agent. The Escrow Agent will deposit the settlement funds in an interest-bearing account.

If the judgment order becomes final without an appeal (other than an appeal that relates solely to counsel fees and expenses) and you have submitted a valid Proof of Claim to the Claims Administrator on or before the Effective Date, within seven business days following such date, the Escrow Agent will distribute to you the Net Settlement Amount for each Unit held by you. If you submit a valid Proof of Claim after the Effective Date, the Escrow Agent will distribute to you the Net Settlement Amount for each Unit held by you within seven business days following the receipt of the Proof of Claim by the Claims Administrator. If a class action plaintiff has not submitted a valid Proof of Claim to the Claims Administrator within 90 days following the Effective Date and such plaintiff has not opted out of the Settlement, Class Counsel may execute a Proof of Claim on behalf of that limited partner. The execution of the Proof of Claim by Class Counsel on behalf of a limited partner will entitle the limited partner to receive the Net Settlement Amount for each Unit held by such limited partner and release, on behalf of such limited partner, all claims that are released, settled and discharged as part of the Settlement as provided in the Proof of Claim. The Escrow Agent will not distribute funds from the settlement fund to any limited partner unless and until a valid Proof of Claim for that limited partner is received, whether from such limited partner or from counsel to the class action plaintiffs. The Net Settlement Amount to be received by any holder of a Unit will be reduced by any amount owed by the holder on the original purchase price of such Unit.

If you or any other plaintiffs file an appeal of the judgment order (other than an appeal that relates solely to counsel fees and expenses), the Escrow Agent will return the settlement fund, with interest, to the Purchaser or the Joint Venture, or their designees, within two days after receiving documentation of such event. If an order of an appellate court affirming the judgment order subsequently becomes final, then the Purchaser or the Joint Venture, or their designees, will return the settlement fund to the Escrow Agent within three business days thereafter, without interest.

The Purchaser and the Escrow Agent expressly reserve the right to delay the acceptance for payment of, or payment for, Units in order to comply in whole or in part with any applicable law and the terms of the Settlement Agreement and any applicable court order.

Units tendered pursuant to the Purchase Offer may be withdrawn at any time on or prior to the Expiration Date and, unless accepted for payment by the Purchaser pursuant to the Purchase Offer, may also be withdrawn at any time after _____, 2000. Units will be returned promptly at such time as it is finally determined that such conditions will not be satisfied or waived. In addition, written consents submitted prior to the Expiration Date will remain valid and outstanding after the Expiration Date and will not expire until the conditions for consummation of the Purchase Offer are satisfied or waived (if waivable) or until such time as it is finally determined that such conditions will not be satisfied or waived.

For purposes of the Purchase Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased) Units validly tendered and not withdrawn as, if and when the Purchaser gives oral or written notice to the Claims Administrator that the "Effective Date" under the Settlement Agreement has occurred.

If, prior to the Expiration Date, the Purchaser increases the consideration offered per Unit, the Purchaser will pay such increased consideration to all holders of those Units purchased pursuant to the Purchase Offer, whether or not such Units have been tendered prior to such increase in the consideration.

Procedures for Accepting the Purchase Offer and Tendering Units

In order for a Unitholder to validly tender Units pursuant to the Purchase Offer, a properly completed and duly executed Proof of Claim (or facsimile thereof) and any other documents required by the Proof of Claim must be received by the Claims Administrator at its address set forth on the back cover of this Purchase Offer and Consent Solicitation on or prior to the Expiration Date.

If the Units are registered in the name of a person other than the signer of the Proof of Claim, or if payment is to be made to a person other than the registered holder of the Units surrendered, then the Proof of Claim must be accompanied by duly executed powers signed exactly as the name or names of the registered holder or holders appear in the records of the Partnership. See Instructions 4 and 6 of the Proof of Claim.

The method of delivery of the Proof of Claim and all other required documents is at the option and risk of each tendering Unitholder. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Notwithstanding any other provision hereof, payment for Units accepted for payment pursuant to the Purchase Offer will in all cases be made only after timely receipt by the Claims Administrator of a properly completed and duly executed Proof of Claim (or facsimile thereof) and any other documents required by the Proof of Claim.

Appointment as Proxy. By executing the Proof of Claim, a tendering Unitholder irrevocably appoints designees of the Purchaser, and each of them, as such Unitholder's attorneys-in-fact and proxies in the manner set forth in the Proof of Claim, each with full power of substitution, to the full extent of such Unitholder's rights with respect to the Units tendered by such Unitholder and accepted for payment by the Purchaser and with respect to any and all other Units or other securities or rights issued or issuable in respect of such Units after the date of this Purchase Offer and Consent Solicitation. All such proxies shall be considered coupled with an interest in the tendered Units. This appointment will become effective when the judgment order rendered by the Court becomes final. Upon such acceptance for payment, all prior proxies given by such Unitholder with respect to such Units or other securities or rights will, without further action, be revoked, and no subsequent proxies may be given (and, if given, will not be deemed effective) by such Unitholder. The designees of the Purchaser will, with respect to such Units and other securities or rights, be empowered to exercise all voting and other rights of such Unitholder as the designees, in their sole discretion, may deem proper at any annual, special or adjourned meeting of the Unitholders, by written consent in lieu of any such meeting or otherwise. The Purchaser reserves the right to require that, in order for Units to be deemed validly tendered, immediately after the judgment order rendered by the Court becomes final, the Purchaser must be able to exercise full voting and other rights with respect to such Units and other securities or rights including voting at any meeting of Unitholders then scheduled or acting by written consent. In addition, by executing a Proof of Claim, a tendering Unitholder agrees promptly to remit and transfer to the Claims Administrator for the account of the Purchaser any and all cash dividends, distributions, rights, other Units and other securities issued or issuable in respect thereof on or after the date that the Court renders a judgment order (assuming there is no appeal of the order) or, in the event of an appeal, the date that the judgment order becomes final accompanied by appropriate documentation of transfer. Pending such remittance or appropriate assurance thereof, the Purchaser shall be entitled to all rights and privileges as owner of any such other Units or other securities or property and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

Determination of Validity. The Claims Administrator will review the validity, form and eligibility (including the timeliness of receipt) of Units tendered pursuant to any of the procedures described above. All issues as to the validity, form, eligibility and acceptance for payment of any tendered Units will be determined by the Court. No tender of Units will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of the Purchaser, the Joint Venture, Rockledge or Marriott International, any of their affiliates or assigns, if any, the Claims Administrator, or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

It is a violation of Section 14(e) of the Exchange Act and Rule 14e-4 promulgated thereunder for a person to tender Units for his or her account unless the person so tendering (1) owns such Units or (2) owns other securities convertible into or exchangeable for such Units or owns an option, warrant or right to purchase such Units and intends to acquire such Units for tender by conversion,

exchange or exercise of such option, warrant or right. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Units made pursuant to any one of the procedures set forth above will constitute the tendering Unitholder's acceptance of the terms and conditions of the Purchase Offer, including the tendering Unitholder's representation that (1) such Unitholder owns the Units being tendered within the meaning of Rule 14e-4 and (2) the tender of such Units complies with Rule 14e-4.

Please note, however, that tendering your Units in the Purchase Offer does not in itself constitute your consent to the Merger and the Amendments. You can only consent to the Merger and the Amendments by executing the GREEN Consent Form and returning it to the Claims Administrator prior to the Expiration Date in the manner described under the heading "The Written Consents 3/4Voting and Revocation of Consents."

Withdrawal Rights

Except as otherwise provided in this Section, tenders of Units made pursuant to the Purchase Offer are irrevocable. Units tendered pursuant to the Purchase Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Purchaser Offer, may also be withdrawn at any time after _____, 2000, but any Consent Form properly executed and received and not withdrawn prior to the Expiration Date will become binding and irrevocable after the Expiration Date and will be deemed coupled with an interest. See "The Written Consents - Voting and Revocation of Consents." Units will be returned promptly at such time as it is finally determined that such conditions will not be satisfied or waived.

In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Claims Administrator at one of its addresses or numbers set forth on the back cover of this Purchase Offer and Consent Solicitation. Any such notice of withdrawal must specify the name of the person who tendered the Units to be withdrawn, the number of Units to be withdrawn, and the name of the registered holder of the Units to be withdrawn, if different from that of the tendering Unitholder.

Withdrawals of Units may not be rescinded and any Units properly withdrawn, thereafter, will be deemed not validly tendered for purposes of the Purchase Offer. However, withdrawn Units may be re-tendered at any time prior to the Expiration Date by following one of the procedures described under the heading "--Procedures for Accepting the Purchase Offer and Tendering Units."

All questions as to the form and validity (including the timeliness of receipt) of any notice of withdrawal will be determined by the Court. Neither the Purchaser, the Joint Venture, Marriott International, MI Investor or Rockledge any of their affiliates or assigns, if any, the Claims Administrator nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failing to give any such notification.

Market for the Partnership's Limited Partnership Units and Related Security Holder Matters

There is currently no established public trading market for the Units, and it is not anticipated that a public market for the Units will develop. Transfers of Units are limited to the first date of each Accounting Period (as defined in the Partnership Agreement) and may be made only to accredited investors. All transfers are subject to approval by the General Partner. As of December 31, 1999, there were 1,076 holders (including holders of half-units) of record of the 1,150 Units.

During 1999, 12.5 Units were sold by Unitholders at prices ranging from $65,000 to $86,000 per Unit. Between January 1, 2000 and May 1, 2000, 2 Units were sold by

Unitholders at prices ranging from $73,190 to $80,000 per Unit. Since May 1, 2000, 3.5 Units have been sold by Unitholders at a price of $80,000 per Unit. However, these transfers have not been approved by the General Partner and the purchasers of these 3.5 Units have not been admitted as limited partners to the Partnership. The Partnership does not have any information regarding the circumstances surrounding any of the above sales and believes any of the above sales prices are not necessarily indicative of the market value of the Units.

The Settlement Agreement provides that, until the judgment order approving the Settlement becomes final, the limited partners in the Partnership will continue to own their respective Units. The General Partner will cause the Partnership to make distributions of Cash Available for Distribution (as defined in the Partnership Agreement) for the period until the judgment order is entered. Following entry of the judgment order, and until the order becomes final, assuming there is no appeal other than an appeal as to counsel fees and expenses only, no further Cash Available for Distribution will be distributed. If an appeal is filed, the General Partner will cause the Partnership to make distributions of Cash Available for Distribution for the period until the judgment order becomes final.

As of December 31, 1999, the Partnership had distributed a total of $4.9 million to the General Partner and $92.2 million to the limited partners ($80,181 per Unit) since inception. Included in the $80,181 of distributions per Unit was a $4,000 distribution per Unit from excess refinancing proceeds that was distributed to the partners in 1988 and the $25,000 per Unit from 1997 excess refinancing proceeds. During 1999, the Partnership distributed $666,000 to the General Partner and $12.7 million ($3,000 and $8,000 per Unit from 1998 and 1999 operations, respectively) to the limited partners. An additional $3,500 per Unit from 1999 operations was distributed in February 2000.

Transfer Fees and Taxes

Except as set forth in this paragraph, the Purchaser will pay or cause to be paid any transfer taxes and fees with respect to the transfer and sale of purchased Units to it or its order, pursuant to the Purchase Offer. If, however, payment of the purchase price for the Units is to be made to, or if tendered Units are registered in the name of, any person other than the person(s) signing the Proof of Claim, the amount of any transfer taxes (whether imposed on the registered holders(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price for the Units unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted. See also Instruction 5 to the Proof of Claim. The Purchaser will not subtract any transfer fees from the Net Settlement Amount per Unit, other than as described in this paragraph.

THE WRITTEN CONSENTS

In accordance with the terms of the Settlement Agreement, the General Partner is soliciting the consent of the Unitholders to (1) the Merger and (2) the Amendments to the Partnership Agreement. As discussed more fully under "The Settlement--The Settlement Agreement," the Merger and the proposed Amendments must receive Unitholder approval in order for Unitholders to have the opportunity to receive the cash price per Unit offered pursuant to the Purchase Offer. For a discussion of the interests that the Purchaser, the General Partner and their respective affiliates have in the Amendments, the Merger and the Purchase Offer, see "The Settlement--Certain Transactions with the Partnership."

Record Date and Outstanding Units

The General Partner has set the close of business on _____, 2000 as the record date for the determination of Unitholders entitled to consent to the Merger and the Amendments. The only Unitholders who will be entitled to consent to the Merger and the Amendments will be Unitholders of record as of the record date who have been admitted to the Partnership as limited partners and who are not in default with respect to the original purchase price of their Units. On the record date, there were 1,150 Units issued and outstanding, held of record by 1076 Unitholders. The Partnership has no other class of securities.

Majority Vote Required; Voting Rights

Under the Partnership Agreement, approval of the Merger and the Amendments require the affirmative consent of Unitholders (excluding the General Partner and its affiliates) holding a majority of the issued and outstanding Units. An abstention or failure to timely return the enclosed Consent Form will have the same effect as not consenting to the Merger and the Amendments. With the exception of the General Partner, the Purchaser, and their respective affiliates, each Unitholder who has been admitted to the Partnership as a limited partner is entitled to cast one vote for each Unit held of record on the Merger and the Amendments, other than Unitholders who are in default with respect to the original purchase price of their Units who shall not be entitled to cast a vote with respect to such Units. Holders of half-Units are entitled to cast half a vote for each half-Unit held of record. Units held by the General Partner, the Purchaser and their affiliates cannot be voted on the Merger and the Amendments. The Claims Administrator, an independent intermediary, has been retained by Class Counsel to tabulate and validate the written consents. The Claims Administrator also currently serves as the Partnership's transfer agent. All issues regarding the validity of any written consents will be determined by the Court.

Solicitation Period

The solicitation period is the time during which Unitholders may vote for or against the Merger and the Amendments. The solicitation period will commence upon delivery of this Purchase Offer and Consent Solicitation and will continue until 12:00 midnight, New York City time, on _____ ___, 2000 unless the Purchase Offer is extended by the Purchaser, in which case the solicitation period will be extended to such later date that coincides with the expiration date of the Purchase Offer, and as to which notice is given to Unitholders.

Voting and Revocation of Consents

A GREEN Consent Form is included with this Purchase Offer and Consent Solicitation. The Consent Form should be properly executed and returned to the Claims Administrator, GEMISYS Corporation, Proxy Department, 7103 South Revere Parkway, Englewood, Colorado 80112. Any properly executed Consent Forms received by GEMISYS prior to the Expiration Date will be voted in accordance with the instructions contained therein. All properly executed Consent Forms that contain no voting instructions will be deemed to

have consented to the Merger and all of the Amendments. Consent Forms will be effective only when actually received by the Claims Administrator prior to the Expiration Date. Consent Forms may be withdrawn at any time prior to the Expiration Date. In addition, subsequent to the submission of a Consent Form, but prior to the Expiration Date, Unitholders may change their vote. For a withdrawal or change of vote to be effective, Unitholders must execute and deliver to the Claims Administrator, prior to the Expiration Date, a subsequently dated Consent Form or a written notice stating that the consent is revoked. Consent Forms and notices of withdrawal or change of vote dated after the Expiration Date will not be valid. All properly executed Consent Forms that are received and not withdrawn prior to the Expiration Date will become binding and irrevocable after the Expiration Date and will be deemed coupled with an interest. Valid written consents submitted prior to the Expiration Date will remain valid and outstanding after the Expiration Date and will not expire until the conditions for consummation of the Purchase Offer are satisfied or waived (if waivable) or until such time as it is finally determined that such conditions will not be satisfied or waived. Questions concerning (1) how to complete the Consent Form, (2) where to remit the Consent Form and (3) obtaining additional Consent Forms should be directed to the Claims Administrator. Substantive questions concerning the Consent Form should be directed to David Berg or Jim Moriarty, counsel to the class action plaintiffs. Mr. Berg's telephone number is (713) 529-5622 and Mr. Moriarty's telephone number is (713) 528-0700.

Effective Time of Amendments

If approved by the Unitholders, the Amendments will become effective when the General Partner executes and delivers an Amended and Restated Agreement of Limited Partnership incorporating the Amendments in accordance with the Partnership Agreement. Assuming the Unitholders will consent to the Merger and the Amendments and the conditions to the Purchase Offer and the Merger will be satisfied, it is contemplated that the General Partner will execute and deliver the Amended and Restated Agreement of Limited Partnership as soon as practicable following the Expiration Date, but in any event immediately prior to the consummation of the Purchase Offer. If for any reason the Purchase Offer is not consummated, however, the Amendments to the Partnership Agreement will not be implemented, even if they receive Unitholder approval.

Effective Time of the Merger

As soon as practicable after all conditions of the Purchase Offer and the Merger have been satisfied (or waived, if waivable), the General Partner will file a certificate of merger with the Secretary of State of the State of Delaware. The Merger shall become effective upon the filing of the certificate of merger with the Secretary of State of the State of Delaware or such later time as provided in the certificate of merger.

No Special Meeting

The Partnership Agreement does not require a special meeting of Unitholders to consider the Merger or the Amendments. Accordingly, no such meeting will be held.

Rights of Appraisal

The Partnership was organized under the Partnership Act. Under the Partnership Act a limited partnership agreement or a merger agreement may contractually provide for appraisal rights with respect to limited partnership interests. Neither the Partnership Agreement nor the Merger Agreement provides for a judicial appraisal of Units in connection with the Merger. However, the Settlement Agreement and the Merger Agreement provide that upon consummation of the Merger, each Unit held by a holder who elects not to participate in the Settlement by delivering an Opt-Out Notice to the Claims Administrator no later than the Expiration Date will be converted into the right to receive the appraised value of such Unit, not including any amount relating to the claims asserted in the litigation, as determined in accordance with the provisions in

the Settlement Agreement and the Merger Agreement, and reduced by any amount owed by the holder on the original purchase price of such Unit. Unitholders who wish to opt-out of the Settlement must follow the procedures described under the heading "The Settlement - Procedures for Opting-Out of Settlement."

Interests of Certain Persons in the Matters to be Acted Upon

In considering whether to vote for or against the Merger and the Amendments, you should be aware that the General Partner is a Defendant. Accordingly, the General Partner has a conflict of interest with respect to this consent solicitation and makes no recommendation to any Unitholder as to whether to vote for or against the Merger and the Amendments.

Your vote in favor of the Merger and the Amendments does not require that you tender your Units pursuant to the Purchase Offer. If you desire to receive the Net Settlement Amount for each of your Units, you should submit the Proof of Claim and consent to the Merger and the Amendments. If you desire to have the value of your Units appraised pursuant to the terms of the Settlement Agreement and the Merger Agreement, you should consent to the Merger and the Amendments, not tender your Units and submit an Opt-Out Notice to the Claims Administrator no later than the Expiration Date.

OTHER MATTERS

Fees and Expenses

Counsel to the class action plaintiffs has retained GEMISYS Corporation to act as the Claims Administrator in connection with the Purchase Offer and the Consent Solicitation. The costs of sending the Notice and the Purchase Offer and Consent Solicitation and related materials to the Partnership's limited partners will be paid by the Joint Venture. Other fees and expenses will be paid out of any interest accrued on the settlement funds during the time the settlement funds (including the settlement funds relating to the other Marriott Partnerships) are in escrow. See "The Settlement -- The Settlement Agreement." To the extent such accrued interest is insufficient to cover the Claims Administrator's fees and expenses, the fees will be paid by the Joint Venture.

The Court has approved the retention of Chase Bank of Texas, N.A. to act as escrow agent for the settlement funds relating to all of the Litigation covered by the Settlement Agreement. The Escrow Agent will be paid out of any interest accrued during the time the settlement funds (including the settlement funds relating to the other Marriott Partnerships) are in escrow. To the extent such accrued interest is insufficient to cover the fees, the fees will be paid by the Joint Venture.

Neither the Purchaser, the Joint Venture, Marriott International, MI Investor nor Rockledge will pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Units pursuant to this Purchase Offer and Consent Solicitation (other than the fees to the Claims Administrator). Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Joint Venture for customary mailing and handling expenses incurred by them in forwarding materials to their customers.

Miscellaneous

The Purchase Offer and Consent Solicitation is being made to all holders of Units, other than the General Partner. The Purchaser is not aware of any state where the making of the Purchase Offer or the soliciting of consents is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Purchase Offer or the acceptance of Units pursuant thereto, or the soliciting of consents, the Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, the Purchaser cannot comply with such state statute, the Purchase Offer and Consent Solicitation will not be made to nor will tenders be accepted from or on behalf of the holders of Units in such state.

Pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, the Purchaser, the Joint Venture, Marriott International, MI Investor and Rockledge have filed with the SEC a Tender Offer Statement on Schedule TO, and pursuant to Rule 14d-9 and Rule 14a-6 of the Exchange Act, the Partnership has filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 and a Consent Solicitation Statement on Schedule 14A, respectively, together with exhibits in each case, furnishing certain additional information with respect to the Purchase Offer and the Consent Solicitation. Such statements and any amendments thereto, including exhibits, may be inspected and copies may be obtained with the SEC at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. These SEC filings are also available to the public from commercial document retrieval services and at the Internet world wide web site maintained by the SEC at www.sec.gov.

Any exhibits filed herewith may be obtained from the Partnership, without charge, by requesting them in writing or by telephone from the Partnership at the following address:

Courtyard by Marriott Limited Partnership
10400 Fernwood Road
Bethesda, Maryland 20817
Telephone: (301) 380-9000

You should rely only on the information contained or incorporated by reference in this Purchase Offer and Consent Solicitation. We have not authorized anyone to provide you with information that is different from what is contained in this Purchase Offer and Consent Solicitation. This Purchase Offer and Consent Solicitation is dated _____ __, 2000. You should not assume that the information contained in this Purchase Offer and Consent Solicitation is accurate as of any date other than that date. The mailing of this Purchase Offer and Consent Solicitation does not create any implication of the contrary.

No person has been authorized to give any information or make any representation on behalf of the Partnership, the General Partner or the Purchaser not contained herein or in the Proof of Claim and, if given or made, such information or representation must not be relied on as having been authorized.

CBM I HOLDINGS LLC

CBM ONE LLC

_____ __, 2000

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF MARRIOTT INTERNATIONAL, INC., MI CBM INVESTOR LLC, ROCKLEDGE HOTEL PROPERTIES, INC., CBM JOINT VENTURE LLC AND CBM I HOLDINGS LLC

The following table sets forth the name, business address and principal occupation or employment at the present time and during the last five years, and the name, principal business and address of any corporation or other organization in which such employment is or was conducted, of each director and executive officer of Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC. The business address of each such person is 10400 Fernwood Road, Bethesda, Maryland 20817. Except as otherwise noted, each occupation set forth below a person's name refers to employment with Marriott International, Inc., MI CBM Investor LLC, Rockledge Hotel Properties, Inc., CBM Joint Venture LLC and CBM I Holdings LLC, respectively, and each such person has held such occupation for at least the past five years and, other than Dr. Cheng, each such person is a citizen of the United States. Except as otherwise noted, where an office with Marriott International, Inc. is set forth opposite a person's name, that person has held that office since March 1998, when the present Marriott International, Inc. was spun off from the prior corporation of the same name ("Old Marriott International," now known as Sodexho Marriott Services, Inc.) and prior to that spin-off held the same office with Old Marriott International.

I. MARRIOTT INTERNATIONAL, INC.

Name	Present Principal Occupation or Employment and Material Occupations, Offices or Employment Held During the Past Five Years
J.W. Marriott, Jr.Chairman of the Board and Chief Executive Officer	J.W. Marriott, Jr. is Chairman of the Board and Chief Executive Officer of Marriott International. He joined Marriott Corporation (now known as Host Marriott Corporation) in 1956, became President and a director in 1964, Chief Executive Officer in 1972 and Chairman of the Board in 1985. Mr. Marriott also is a director of Host Marriott Corporation, General Motors Corporation and the Naval Academy Endowment Trust. He serves on the Board of Trustees of the National Geographic Society and The J. Willard & Alice S. Marriott Foundation, and the Board of Directors of Georgetown University, and is a member of the Executive Committee of the World Travel & Tourism Council and the Business Council. Mr. Marriott has served as Chief Executive Officer of Marriott International since its inception in 1997, and served as Chairman and Chief Executive Officer of Old Marriott International from October 1993 to March 1998. Mr. Marriott has served as a director of Marriott International since March 1998.

Todd Clist Vice President; President, North American Lodging Operations	Todd Clist joined Marriott Corporation in 1968. Mr. Clist served as general manager of several hotels before being named Regional Vice President, Midwest Region for Marriott Hotels, Resorts and Suites in 1980. Mr. Clist became Executive Vice President of Marketing for Marriott Hotels, Resorts and Suites in 1985, and Senior Vice President, Lodging Products and Markets in 1989. Mr. Clist was named Executive Vice President and General Manager for Fairfield Inn in 1990, for both Fairfield Inn and Courtyard in 1991, and for Fairfield Inn, Courtyard and Residence Inn in 1993. Mr. Clist was appointed to his current position in January 1994.
Edwin D. Fuller Vice President; President and Managing Director - --Marriott Lodging International	Edwin D. Fuller joined Marriott Corporation in 1972 and held several sales positions before being appointed Vice President of Marketing in 1979. He became Regional Vice President in the Midwest Region in 1985, Regional Vice President of the Western Region in 1988, and in 1990 was promoted to Senior Vice President & Managing Director of International Lodging, with a focus on developing the international group of hotels. He was named Executive Vice President and Managing Director of International Lodging in 1994, and was promoted to his current position of President and Managing Director of International Lodging in 1997.

Gilbert M. Grosvenor Director	Gilbert M. Grosvenor is Chairman of the Board of the National Geographic Society (a publisher of books and magazines and producer of television documentaries) and a director or trustee of Chevy Chase Federal Savings Bank, Ethyl Corporation, B.F. Saul REIT and Saul Centers, Inc. He is on the Board of Visitors of the Nicholas School of the Environment of Duke University. Mr. Grosvenor served as a member of the Board of Directors of Old Marriott International (and prior to October 1993 of Marriott Corporation) from 1987 to March 1998, and has served as a director of Marriott International since March 1998.

Henry Cheng Kar-Shun Director	Henry Cheng Kar-Shun has served as Managing Director of New World Development Company Limited ("New World Development"), a publicly held Hong Kong real estate development and investment company, since 1989. He is the Chairman of New World China Land Limited, New World CyberBase Limited, New World Infrastructure Limited and Tai Fook Group Limited and a director of HKR International Limited and Kwoon Chung Bus Holding Limited, all of which are publicly-held Hong Kong companies. Dr. Cheng serves as an executive officer of Chow Tai Fook Enterprises Limited, a privately-held family company that controls New World Development. Dr. Cheng served as Chairman and Director of Renaissance Hotel Group N.V. from June 1995 until its purchase by the Company in March 1997. He is Chairman of the Advisory Council for The Better Hong Kong Foundation. Dr. Cheng serves as a member of the Services Promotion Strategy Group, a unit under the Hong Kong Financial Secretary's Office, and as a Committee Member of the Eighth and Ninth Chinese People's Political Consultative Committee of the People's Republic of China. Dr. Cheng has also served as a member of the Election Committee of the Hong Kong Special Administrative Region. Dr. Cheng served as a director of Old Marriott from June 1997 to March 1998, and has served as a director of the Company since March 1998.
Brendan M. Keegan Vice President; Executive Vice President - ---Human Resources	Brendan M. Keegan joined Marriott Corporation in 1971, in the Corporate Organization Development Department and subsequently held several human resources positions, including Vice President of Organization Development and Executive Succession Planning. In 1986, Mr. Keegan was named Senior Vice President, Human Resources, Marriott Service Group. In April 1997, Mr. Keegan was appointed Senior Vice President of Human Resources for Marriott International's worldwide human resources functions, including compensation, benefits, labor and employee relations, employment and human resources planning and development. In February 1998, he was appointed to his current position.

Richard E. Marriott Director	Richard E. Marriott is Chairman of the Board of Host Marriott Corporation. He is also Chairman of the Board of First Media Corporation and serves as a trustee of Gallaudet University, Polynesian Cultural Center, Primary Children's Medical Center, Boys and Girls Clubs of America SE Region and The J. Willard & Alice S. Marriott Foundation. He is President and a member of the Board of Trustees of the Marriott Foundation for People with Disabilities and President and a director of the R.E.M. Family Foundation, Inc. He also serves on the Board of Trustees of Federal City Council and the Advisory Committee for the International Hotel and Restaurant Association. Prior to 1993, Mr. Marriott served as an Executive Vice President and member of the Board of Directors of Marriott Corporation. Mr. Marriott has been a director of Marriott Corporation (now known as Host Marriott Corporation) since 1979, served as a director of Old Marriott International from October 1993 to March 1998, and has served as a director of Marriott International since March 1998.
Floretta Dukes McKenzie Director	Floretta Dukes McKenzie is the founder, Chairwoman and Chief Executive Officer of The McKenzie Group, Inc. (an educational consulting firm). She is also a director or trustee of Potomac Electric Power Company (PEPCO), National Geographic Society, Acacia Group, Group Hospitalization and Medical Services, Inc. (GHMSI), Howard University, White House Historical Association, American Association of School Administrators Leadership of Learning Foundation, Lightspan Partnership, Inc., Impact II - The Teachers Network, National School Board Foundation, Institute for Educational Leadership, Inc., Forum for the American School Superintendent, Harvard Graduate School of Education Urban Superintendents Program and Johns Hopkins Leadership Development Program. From 1981 to 1988, she served as Superintendent of the District of Columbia Public Schools and Chief State School Officer. Dr. McKenzie served as a director of Old Marriott (and prior to October 1993 of Marriott Corporation) from 1992 to March 1998, and has served as a director of the Company since March 1998.

Harry J. Pearce Director	Harry J. Pearce is Vice Chairman of the Board of General Motors Corporation (an automobile manufacturer) and a director of General Motors Acceptance Corporation, Hughes Electronics Corporation, Alliance of Automobile Manufacturers, MDU Resources Group, Inc. and the Bone Marrow Foundation and is a member of the U.S. Air Force Academy's Board of Visitors. He also serves on the Board of Trustees of Howard University and Northwestern University and is a member of the Northwestern University School of Law's Law Board. Mr. Pearce served as a director of Old Marriott International from 1995 to March 1998, and has served as a director of Marriott International since March 1998.
William T. Petty Vice President; Executive Vice President, North American Lodging Operations	William T. Petty joined Marriott Corporation in 1984 as Vice President of Planning & Business. He has since held a number of positions with Marriott Corporation and Marriott International, becoming Vice President of Market Planning in 1985; General Manager of the Atlanta Perimeter Marriott Hotel in 1989; Vice President of Operations for Marriott's time share division in 1990; Regional Vice President for Lodging Operations in 1991; and Senior Vice President for the Western Region in 1995. Mr. Petty was appointed to his present position in December 1998.
Robert T. Pras Vice President; President--Marriott Distribution Services	Robert T. Pras joined Marriott Corporation in 1979 as Executive Vice President of Fairfield Farm Kitchens, the predecessor of Marriott Distribution Services. In 1981, Mr. Pras became Executive Vice President of Procurement and Distribution. In May 1986, Mr. Pras was appointed to the additional position of General Manager of Marriott Corporation's Continuing Care Retirement Communities. He was named Executive Vice President and General Manager of Marriott Distribution Services in 1990. Mr. Pras was appointed to his current position in January 1997.

W. Mitt Romney Director	W. Mitt Romney was appointed President and Chief Executive Officer of the Salt Lake Olympic Committee on February 19, 1999. He is a director, President and Chief Executive Officer of Bain Capital, Inc. (a private equity investment firm). He is also a director of Staples, Inc. Mr. Romney is a member of the Executive Board of the Boy Scouts of America and the board of the National Points of Light Foundation. Mr. Romney served as a member of the Board of Directors of Old Marriott (and of Marriott Corporation prior to October 1993) from 1993 to March 1998 and has served as a director of Marriott International since March 1998.
Joseph Ryan Executive Vice President and General Counsel	Joseph Ryan joined Old Marriott in December 1994 as Executive Vice President and General Counsel. Prior to that time, he was a partner in the law firm of O'Melveny & Myers, serving as the Managing Partner from 1993 until his departure. He joined O'Melveny & Myers in 1967 and was admitted as a partner in 1976.
Roger W. Sant Director	Roger W. Sant is Chairman of the Board of The AES Corporation (a global power company) which he co-founded in 1981. Since 1994, Mr. Sant has chaired the Board of World Wildlife Fund (U.S.). He also chairs the Board of The Summit Foundation, and is a Board member of WWF-International and The National Symphony. Mr. Sant served as a director of Old Marriott International from 1993 to March 1998, and has served as a director of Marriott International since March 1998.
Horst H. Schulze Vice President ; President and Chief Operating Officer, The Ritz-Carlton Hotel Company, LLC	Horst H. Schulze has served as the President and Chief Operating Officer of The Ritz-Carlton since 1988. Mr. Schulze joined The Ritz-Carlton in 1983 as Vice President, Operations and was appointed Executive Vice President in 1987. Prior to 1983, he spent nine years with Hyatt Hotels Corporation where he held several positions including Hotel General Manager, Regional Vice President and Corporate Vice President.

William J. Shaw Director, President and Chief Operating Officer	William J. Shaw has served as President and Chief Operating Officer of Marriott International since March 1997 (including service in the same capacity with Old Marriott International until March 1998). Mr. Shaw joined Marriott Corporation in 1974, was elected Corporate Controller in 1979 and a Vice President in 1982. In 1986, Mr. Shaw was elected Senior Vice President--Finance and Treasurer of Marriott Corporation. He was elected Chief Financial Officer and Executive Vice President of Marriott Corporation in April 1988. In February 1992, he was elected President of the Marriott Service Group. Mr. Shaw is also Chairman of the Board of Directors of Sodexho Marriott Services, Inc. He also serves on the Board of Trustees of the University of Notre Dame and the Suburban Hospital Foundation. Mr. Shaw has served as a director of Old Marriott International (now named Sodexho Marriott Services, Inc.) since May 1997, and as a director of Marriott International since March 1998.
Lawrence M. Small Director	Lawrence M. Small is the Secretary of the Smithsonian Institution, the world's largest combined museum and research complex, a position to which he was elected in September, 1999. Prior to becoming the 11th Secretary, he served as President and Chief Operating Officer of Fannie Mae, the nation's largest housing finance company, since 1991. Before joining Fannie Mae, Mr. Small had served as Vice Chairman and Chairman of the Executive Committee of the Board of Directors of Citicorp and Citibank, N.A., since January 1990. He had been associated with Citibank since 1964. He is also a director of The Chubb Corporation, New York City's Spanish Repertory Theatre, the John F. Kennedy Center for the Performing Arts, the National Gallery, the Woodrow Wilson Center International Center for Scholars and Mt. Sinai-NYU Medical Center and Health System. Mr. Small served as director of Old Marriott from 1995 to March 1998, and he has served as a director of the Company since March 1998.

Arne M. Sorenson Executive Vice President and Chief Financial Officer	Arne M. Sorenson joined Old Marriott in 1996 as Senior Vice President of Business Development. He was instrumental in Marriott International's acquisition of the Renaissance Hotel Group in 1997. Prior to joining Marriott, he was a partner in the law firm of Latham & Watkins in Washington, D.C., where he played a key role in 1992 and 1993 in the distribution of Old Marriott International by Marriott Corporation. Effective October 1, 1998, Mr. Sorenson was appointed Executive Vice President and Chief Financial Officer.
James M. Sullivan Executive Vice President - ---Lodging Development	James M. Sullivan joined Marriott Corporation in 1980, departed in 1983 to acquire, manage, expand and subsequently sell a successful restaurant chain, and returned to Marriott Corporation in 1986 as Vice President of Mergers and Acquisitions. Mr. Sullivan became Senior Vice President, Finance - Lodging in 1989, Senior Vice President - Lodging Development in 1990 and was appointed to his current position in December 1995.
William R. Tiefel Vice Chairman; Chairman - ---The Ritz-Carlton Hotel Company, LLC	William R. Tiefel joined Marriott Corporation in 1961 and was named President of Marriott Hotels, Resorts and Suites in 1998. He had previously served as resident manager and general manager at several Marriott hotels prior to being appointed Regional Vice President and later Executive Vice President of Marriott Hotels, Resorts and Suites and Marriott Ownership Resorts. Mr. Tiefel was elected Executive Vice President of Marriott Corporation in November 1989. In March 1992, he was elected President-Marriott Lodging Group and assumed responsibility for all of Marriott's lodging brands. In May 1998 he was appointed to his current position.

Stephen P. Weisz Vice President; President - Marriott Vacation Club International	Stephen P. Weisz joined Marriott Corporation in 1972 and was named Regional Vice President of the Mid-Atlantic Region in 1991. Mr. Weisz had previously served as Senior Vice President of Rooms Operations before being appointed as Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts and Suites in August 1992 and Executive Vice President - Lodging Brands in August 1994. In December 1996, Mr. Weisz was appointed President - Marriott Vacation Club International.

II. ROCKLEDGE HOTEL PROPERTIES, INC.

Richard A. Burton Vice President	Richard A. Burton joined Host Marriott in 1996 as Senior Vice President--Taxes. Prior to joining Host Marriott, Mr. Burton was Senior Tax Counsel at Mobil Oil Corporation. Prior to that, Mr. Burton also practiced law at Sutherland, Asbill & Brennan and served as Attorney Advisor to the United States Tax Court in Washington, D.C.
Robert E. Parsons, Jr. President and Director	Robert E. Parsons, Jr. joined the Corporate Financial Planning staff of Host Marriott Corporation ("Host Marriott") in 1981, became Assistant Treasurer in 1988, Senior Vice President and Treasurer in 1993 and in 1995, he was elected Executive Vice President and Chief Financial Officer. He also serves as a director, manager and officer of numerous Host Marriott subsidiaries.
Christopher G. Townsend Vice President, Secretary and Director	Christopher G. Townsend joined Host Marriott's Law Department in 1982 as a Senior Attorney, became Assistant Secretary in 1984, Assistant General Counsel in 1986, Senior Vice President, Corporate Secretary and Deputy General Counsel in 1993 and in January 1997, he was made General Counsel. He also serves as a director, manager and officer of numerous Host Marriott subsidiaries.

W. Edward Walter Vice President and Treasurer	W. Edward Walter joined Host Marriott in 1996 as Senior Vice President--Acquisitions and, in 1998 was made Treasurer. He also serves as a director, manager and officer of numerous Host Marriott subsidiaries. Prior to joining Host Marriott, Mr. Walter was a partner at Trammell Crow Residential Company and President of Bailey Capital Corporation, a real estate firm focusing on tax-exempt real estate investments.

III. MI CBM INVESTOR LLC

Name	Present Principal Occupation or Employment and Material Occupations, Offices or Employment Held During the Past Five Years
Executive Officers and Managers:	
Kevin M. Kimball President and Manager	Kevin M. Kimball joined Marriott Corporation in 1976 as an analyst in the Treasury Department. In 1980 he was promoted to Director, Partnerships and Syndications, and was named Vice President and Assistant Corporate Controller in 1986, Vice President, Financial Planning and Analysis in 1989, and Vice President Finance, Residence Inn in 1990. In 1993, Mr. Kimball was appointed Senior Vice President and Corporate Controller of Marriott International, Inc. In 1994 he was named Senior Vice President and Chief Financial Officer for Marriott Lodging, and promoted to Executive Vice President and Chief Financial Officer for Marriott Lodging in 1996. Mr. Kimball was appointed President and Manager of MI Investor on April 13, 2000.
Carolyn B. Handlon Treasurer and Manager	Carolyn B. Handlon joined Marriott Corporation in 1987 as Manager of Corporate Finance. In 1992, she was promoted to Vice President and named Assistant Treasurer of Marriott International in October 1993, and Senior Vice President, Finance and Treasurer in June 1999. Ms. Handlon was appointed Treasurer and Manager of MI Investor on April 13, 2000.
Ward R. Cooper Assistant Secretary and Manager	Ward R. Cooper joined Marriott Corporation in 1988 as an Attorney. In addition to that position he was appointed Assistant Secretary of Marriott Corporation in 1992. He assumed the same positions with Marriott International in October, 1993, and was promoted to Assistant General Counsel and Assistant Secretary in January, 1994. Mr. Cooper was appointed Assistant Secretary and Manager of MI Investor on April 13, 2000.

IV. CBM JOINT VENTURE LLC

CBM Joint Venture LLC does not have any directors or executive officers. It is managed by its members, Rockledge Hotel Properties, Inc. and MI CBM Investor LLC. Information concerning the directors and executive officers of Rockledge Hotel Properties, Inc. and MI CBM Investor LLC is set forth elsewhere on this Schedule I.

V. CBM I HOLDINGS LLC

CBM I Holdings LLC does not have any directors or executive officers. It is managed by its sole member CBM Mezzanine Borrower LLC, which is managed by its sole member CBM Joint Venture LLC. CBM Joint Venture LLC is managed by its members, Rockledge Hotel Properties, Inc. and MI CBM Investor LLC. Information concerning the directors and executive officers of Rockledge Hotel Properties, Inc. and MI CBM Investor LLC is set forth elsewhere on this Schedule I.

SCHEDULE II

DIRECTORS AND EXECUTIVE OFFICERS OF CBM ONE LLC

The following table sets forth the name, business address and principal occupation or employment at the present time and during the last five years, and the name, principal business and address of any corporation or other organization in which such employment is or was conducted, of each manager and executive officer of CBM One LLC. Except as otherwise noted, each such person is a citizen of the United States and the business address of each such person is 10400 Fernwood Road, Washington, D.C. 20058. Except as otherwise noted, each occupation set forth below a person's name refers to employment with CBM One LLC and each such person has held such occupation for at least the past five years.

Name	Present Principal Occupation or Employment and Material Occupations, Offices or Employment Held During the Past Five Years
Robert E. Parsons, Jr. President and Manager	Robert E. Parsons, Jr. joined the Corporate Financial Planning staff of Host Marriott Corporation ("Host Marriott") in 1981, became Assistant Treasurer in 1988, Senior Vice President and Treasurer in 1993 and in 1995, he was elected Executive Vice President and Chief Financial Officer. He is also an Executive Vice President and Chief Financial Officer of Host Marriott L.P. and serves as a director, manager and officer of numerous Host Marriott subsidiaries
Christopher G. Townsend Executive Vice President, Secretary and Manager	Christopher G. Townsend joined Host Marriott's Law Department in 1982 as a Senior Attorney, became Assistant Secretary in 1984, Assistant General Counsel in 1986, Senior Vice President, Corporate Secretary and Deputy General Counsel in 1993 and in January 1997, he was made General Counsel. He is also a Senior Vice President, Corporate Secretary and General Counsel of Host Marriott L.P. and serves as a director, manager and officer of numerous Host Marriott subsidiaries.
W. Edward Walter Treasurer	W. Edward Walter joined Host Marriott in 1996 as Senior Vice President--Acquisitions and, in 1998 was made Treasurer. He is also a Senior Vice President and Treasurer of Host Marriott L.P. and serves as a director, manager and officer of numerous Host Marriott subsidiaries. Prior to joining Host Marriott, Mr. Walter was a partner at Trammell Crow Residential Company and President of Bailey Capital Corporation, a real estate firm focusing on tax-exempt real estate investments.

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Questions and requests for assistance concerning (1) how to complete the Consent Form or the Proof of Claim, (2) where to remit the Consent Form or the Proof of Claim or (3) obtaining additional copies of this Purchase Offer and Consent Solicitation, the Proof of Claim and the Consent Form and other Purchase Offer and Consent Solicitation materials should be directed to the Claims Administrator at its address and telephone number listed below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Purchase Offer or the Merger. Substantive questions concerning the Consent Form and the Proof of Claim should be directed to David Berg or Jim Moriarty, counsel to the class action plaintiffs. Mr. Berg's telephone number is (713) 529-5622 and Mr. Moriarty's telephone number is (713) 528-0700.

Facsimile copies of the BLUE Proof of Claim properly completed and duly executed, will be accepted. However, the GREEN consent form, properly completed and duly executed, should be sent to the Claims Administrator in the enclosed envelope with pre-paid postage. The Proof of Claim and the Consent Form, and any other required documents should be sent or delivered by you or your broker, dealer, commercial bank, trust company or other nominee to the Claims Administrator, at one of the addresses set forth below:

The Claims Administrator for the Purchase Offer and Consent Solicitation is:

GEMISYS Corporation

By Mail:
Attention: Proxy Department
7103 South Revere Parkway
Englewood, CO 80112-9523

Facsimile Transmission:
303-705-6171
(For Eligible Institutions Only)

By Hand or Overnight Delivery:
Attention: Proxy Department
7103 South Revere Parkway
Englewood, CO 80112-9523

Telephone:
(800) 326-8222

Exhibit (a) (6)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Units (as defined below). The Purchase Offer (as defined below) is made solely by the Purchase Offer and Consent Solicitation, dated June __, 2000, and the related Proof of Claim, Assignment and Release and any amendments or supplements thereto, and is being made to all holders of Units (other than the general partner of the Partnership (as defined below). The Purchase Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Units in any jurisdiction in which the making of the Purchase Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
All Outstanding Units of Limited Partnership Interest

in

COURTYARD BY MARRIOTT LIMITED PARTNERSHIP

at

$134,130 Per Unit
(or a Net Amount per Unit of Approximately
$116,000 after Payment of Court-Awarded Attorneys' Fees)

by

CBM I HOLDINGS LLC,
a wholly owned indirect subsidiary of CBM JOINT VENTURE LLC, a joint venture between
MI CBM INVESTOR LLC
(a wholly owned indirect subsidiary of

MARRIOTT INTERNATIONAL, INC.)

and

ROCKLEDGE HOTEL PROPERTIES, INC.
(through wholly owned subsidiaries)

CBM I Holdings LLC, a Delaware limited liability company (the "Purchaser") and an indirect, wholly owned subsidiary of CBM Joint Venture LLC (the "Joint Venture"), a joint venture between MI CBM Investor LLC, a wholly owned indirect subsidiary of Marriott International, Inc. ("Marriott International"), and Rockledge Hotel Properties, Inc. ("Rockledge") (through wholly owned subsidiaries), is offering to purchase all outstanding units (the "Units") of limited partnership interest in Courtyard by Marriott Limited Partnership, a Delaware limited partnership (the "Partnership") (other than Units owned by the general partner of the Partnership), at $134,130 per Unit (or a pro rata portion thereof) in cash, upon the terms and subject to the conditions set forth in the Purchase Offer and Consent Solicitation dated June _____, 2000 and the related Proof of Claim, Assignment and Release (which, together with any amendments or supplements thereto, collectively constitute the "Purchase Offer"). If the Court (as defined below) approves legal fees and expenses of approximately $18,000 per Unit to counsel to the class action plaintiffs in the Haas Litigation (as defined below), the net amount that each holder that is a class member will receive is approximately $116,000 per Unit (or a pro rata portion thereof) (the "Net Settlement Amount"). The Net Settlement Amount to be received by any holder in the Purchase Offer or the Merger (as defined below) will be reduced by any amount owed by the holder on the original purchase price of such Unit. Tendering Unitholders who have Units registered in their name and who tender directly to GEMISYS Corporation, which has been retained by counsel to the class action plaintiffs in the Haas Litigation ("Class Counsel") to act as the claims administrator (the "Claims Administrator") will not be charged brokerage fees or commissions or, subject to Instruction 5 of the Proof of Claim, Assignment and Release (the "Proof of Claim"), stock transfer taxes on the purchase of Units by the Purchaser pursuant to the Purchase Offer.

- ---
THE PURCHASE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON _____, 2000, UNLESS THE PURCHASE OFFER IS EXTENDED (AS SO EXTENDED, THE "EXPIRATION DATE").
- ---

The Purchase Offer is being made pursuant to the terms of a settlement agreement, dated March 9, 2000 (the "Settlement Agreement") relating to the settlement (the "Settlement") of a class action lawsuit brought against the predecessor-in-interest to the Partnership's general partner (the "General Partner"), Marriott International, Host Marriott

Corporation as the predecessor-in-interest to a Maryland corporation of the same name ("Host Marriott"), various related entities and others, in the 57th Judicial District Court (the "Court") of Bexar County, Texas (the "Haas Litigation"). The Settlement also relates to lawsuits (such suits, together with the Haas Litigation, the "Litigation") filed with respect to six other limited partnerships, including Courtyard by Marriott II Limited Partnership (collectively, the "Marriott Partnerships").

In addition to the Purchase Offer, the terms of the Settlement Agreement provide for the merger of a subsidiary of the Purchaser into the Partnership (the "Merger") pursuant to an agreement and plan of merger (the "Merger Agreement") immediately following the consummation of the Purchase Offer. In the Merger, each outstanding Unit that has not been tendered in the Purchase Offer (other than Units owned by the General Partner, the Purchaser or Unitholders who have elected to opt-out of the Settlement) will be converted into the right to receive $134,130 per Unit (or a pro rata portion thereof) in cash. If the Court approves legal fees and expenses of approximately $18,000 per Unit to Class Counsel in the Haas Litigation, the net amount that each holder that is a class member will receive is approximately $116,000 per Unit (or a pro rata portion thereof). In addition, each outstanding Unit held by a holder who has elected to opt-out of the Settlement will be converted in the Merger into the right to receive a cash amount equal to the appraised value of such unit (or a pro rata portion thereof), as determined in accordance with the appraisal provisions of the Merger Agreement and the Settlement Agreement. The appraised value of Units will not include any amount representing the value of the settlement of the claims asserted in the Haas Litigation. The amount to be received by any Unitholder in the Merger will be reduced by any amount owed by the holder on the original purchase price of his or her Units.

In connection with the Purchase Offer and the Merger, the General Partner will solicit the written consents of the Partnership's limited partners to the Merger and to amendments to the Partnership's partnership agreement as more fully described in the Purchase Offer and Consent Solicitation (the "Amendments"), which are intended to clarify that the terms of the Settlement (including the Purchase Offer and the Merger) are consistent with the provisions of the partnership agreement and to facilitate the consummation of the Purchase Offer and the Merger.

The Court will determine the fairness of the Settlement and the dismissal of the Litigation (including the terms and conditions of the Purchase Offer and the Merger) at a final approval hearing to be held at August 28, 2000. Unitholders who have not opted-out of the Settlement and who have timely filed the proper documents with the Court have the right to appear at the hearing if they follow the procedures set forth in the Notice of Pendency and Settlement of Class and Derivative Action related to Courtyard by Marriott Limited Partnership (the "Notice") that will be sent by Class Counsel to all Unitholders.

The consummation of the Purchase Offer and the Merger are conditioned upon (1) the order of the Court approving the terms of the Settlement and the dismissal of the Litigation having become final (other than by reason of an appeal relating solely to counsel fees and expenses), (2) not more than ten percent of the units of limited partnership interests in each of the Partnership and each of the other six Marriott Partnerships (other than units held by persons named as insiders (the "Insiders") in the Settlement Agreement) being held by holders who have elected to opt-out of the Settlement, and (3) holders of a majority of the outstanding units of limited partnership interest in each of the Partnership and Courtyard by Marriott II Limited Partnership (other than the general partners of these partnerships and their affiliates) having submitted valid written consents to each partnership's merger and amendments to each partnership's partnership agreement. The condition set forth in (2) above is for the sole benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances giving rise to this condition and may be waived by the Purchaser in writing, in whole or in part, at any time and from time to time, in its sole discretion.

The Purchase Offer is not conditioned upon the Purchaser, Marriott International or Rockledge obtaining financing.

An independent Special Litigation Committee appointed for the Partnership by the General Partner has determined that the terms of the Settlement (1) are fair and reasonable to the Partnership (which the Special Litigation Committee considers, as a practical matter, to have an identity of interest with the limited partners with respect to the derivative claims in the Haas Litigation) and (2) include a fair and reasonable settlement of any and all derivative claims, express or implied, made on behalf of the Partnership in the Haas Litigation. Class Counsel recommends that its clients approve the Settlement by tendering their Units in the Purchase Offer and consenting to the Merger and the Amendments.

Unitholders who do not wish to participate in the Settlement may exclude themselves from the settlement class by submitting to the Claims Administrator no later than the Expiration Date a written request to be excluded (an "Opt-Out Notice"). The Opt-Out Notice must be received by the Claims Administrator on or prior to the Expiration Date and must set forth: (1) the name of the case (Haas), (2) the Unitholder's name, address and telephone number, social security

number or taxpayer identification number, (3) the number of Units held by the Unitholder, (4) the date on which the Unitholder purchased the Units, (5) the name of the Partnership (Courtyard by Marriott Limited Partnership), (6) a statement that the Unitholder is requesting to be excluded from the settlement class, and (7) the Unitholder's signature. Unitholders who do not timely and validly submit an Opt-Out Notice will be bound by all orders and judgments entered in the Haas Litigation.

Upon the terms and subject to the conditions of the Purchase Offer, payment for the Units (other than Units held by holders who have opted-out of the Settlement) will be made by deposit of the consideration therefor with the Escrow Agent. Upon deposit of the settlement funds with respect to the Haas Litigation with the Escrow Agent for the purpose of making payment to validly tendering Unitholders, the Purchaser's obligation to make such payment shall be satisfied and such tendering Unitholders must thereafter look solely to Class Counsel and the Escrow Agent for payment of the amounts

owed to them by reason of acceptance for payment of Units pursuant to the Purchase Offer or the Merger. The Defendants in the Litigation have no responsibility for or liability whatsoever with respect to the investment or distribution of the settlement funds, the determination, administration, calculation or payment of claims, or any losses incurred in connection therewith, or with the formulation or implementation of the plan of allocation of the settlement funds, or the giving of any notice with respect to same.

Pursuant to the terms of the Settlement Agreement, the Escrow Agent will be authorized to distribute the Net Settlement Amount for each Unit held by limited partners who validly tendered their Units within seven business days after the date on which the judgment order becomes final (such date, the "Effective Date"). In all cases, payment for Units accepted for payment pursuant to the Purchase Offer will be made only after receipt by the Claims Administrator of a properly completed and duly executed Proof of Claim (or facsimile thereof) with any other documents required by the Proof of Claim on or prior to the Expiration Date. If a class action plaintiff has not submitted a valid Proof of Claim to the Claims Administrator within 90 days following the Effective Date and such plaintiff has not opted-out of the Settlement, Class Counsel will execute a Proof of Claim on behalf of that limited partner. The execution of the Proof of Claim by Class Counsel on behalf of a limited partner will entitle the limited partner to receive the Net Settlement Amount for each Unit held by such limited partner and release, on behalf of such limited partner, all claims that are released, settled and discharged as part of the Settlement as provided in the Proof of Claim. The Net Settlement Amount to be received by any holder of Units will be reduced by any amount owed by the holder on the original purchase price of such Units.

The term "Expiration Date" means 12:00 midnight, New York City time, on [weekday], _____ __, 2000, unless and until the Purchaser, in its sole discretion, shall have extended the period of time during which the Purchase Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Purchase Offer, as so extended by the Purchaser, shall expire. Subject to applicable rules and regulations of the SEC and the provisions of the Settlement Agreement and any applicable Court order, the Purchaser reserves the right, at any time or from time to time, to (a) terminate the Purchase Offer and not accept for payment any Units, (b) delay acceptance for payment or, regardless of whether such Units were theretofore accepted for payment, payment for, any Units and not pay for any Units not theretofore accepted for payment or paid for, until the order of the Court approving the Settlement has become final, (c) waive any unsatisfied condition (if it is waivable) to its obligation to acquire Units pursuant to the Purchase Offer, (d) extend the period of time during which the Purchase Offer is open, or (e) otherwise amend the Purchase Offer. Any extension, delay in payment, termination, waiver of conditions, or material amendment to the terms of the Purchase Offer will be followed as promptly as practicable by a public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Units previously tendered and not withdrawn will remain subject to the Purchase Offer and subject to the right of a tendering Unitholder to withdraw such Units.

If the Purchaser makes a material change in the terms of the Purchase Offer or the information concerning the Purchase Offer, or waives a material condition of the Purchase Offer, the Purchaser will extend the Purchase Offer and disseminate additional tender offer materials to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Securities Exchange Act of 1934 (the "Exchange Act"). If, by the Expiration Date, condition (2) to the Purchase Offer and the Merger set forth above has not been satisfied, the Purchaser may, in its sole discretion, elect to (a) extend the Purchase Offer and, subject to applicable withdrawal rights, retain all tendered Units until the expiration of the Purchase Offer, as extended, subject to the terms of the Purchase Offer, (b) waive the unsatisfied condition and not extend the Purchase Offer or (c) terminate the Purchase Offer and return all tendered Units to tendering Unitholders and be relieved from any obligations under the Settlement Agreement. If an order of an appropriate court denying approval of the Settlement becomes final after all applicable appeals have been exhausted or if the parties to the Settlement Agreement decide to terminate the Settlement as to the Partnership, the Purchase Offer will terminate and all tendered Units will be returned to the tendering Unitholders as soon as practicable.

The Purchaser does not currently intend to make available a "subsequent offering period" as provided for in Rule 14d-11 of the Exchange Act.

The Purchaser and the Escrow Agent expressly reserve the right to delay the acceptance for payment of, or payment for, Units in order to comply in whole or in part with any applicable law and the terms of the Settlement Agreement and any applicable court order. For purposes of the Purchase Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased) Units validly tendered and not withdrawn as, if and when the Purchaser gives oral or written notice to the Claims Administrator that the "Effective Date" under the Settlement Agreement has occurred.

Units tendered pursuant to the Purchase Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Purchaser Offer, may also be withdrawn at any

time after _____, 2000. Units will be returned promptly at such time as it is finally determined that the conditions for consummation of the Purchase Offer and the Merger will not be satisfied (or waived, if waivable). In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Claims Administrator at its address set forth below. Any such notice of withdrawal must specify the name of the person who tendered the Units to be withdrawn, the number of Units to be withdrawn, and the name of the registered holder of the Units to be withdrawn, if different from that of the tendering Unitholder. Written consents submitted prior to the Expiration Date will became irrevocable after the Expiration Date and will not expire until the conditions for consummation of the Purchase Offer are satisfied (or waived, if waivable) or until such time as it is finally determined that such conditions will not be satisfied or waived. The Purchaser reserves the right to extend the period of time during which the Purchase Offer is open and thereby delay acceptance for payment of any tendered Units. No payment will be made in respect of tendered

Units until the Court order approving the Settlement has become final. During this time, Unitholders will not be able to revoke your consent to the Merger and the Amendments.

All questions as to the form and validity (including the timeliness of receipt) of any notice of withdrawal will be determined by the Court. Neither the Purchaser, the Joint Venture, Marriott International, MI Investor, Rockledge, any of their affiliates, the Claims Administrator nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failing to give any such notification.

If the Purchase Offer and the Merger occur, the receipt of cash by Unitholders under the terms of the Settlement Agreement will constitute a taxable transaction. Unitholders will recognize taxable gain to the extent that the amount that they are deemed to receive exceeds their tax basis in their Units. The amount that they will be deemed to receive will be the sum of the cash amount received by them (which will be deemed to include any amount owed by them on the original purchase price of their Units) plus their share of the Partnership's nonrecourse liabilities (and, if they do not affirmatively "opt out" of the settlement, may also include all or a part of their portion of the legal fees paid to Class Counsel). If they do not affirmatively "opt out" of the Settlement, a portion of the amount that they are deemed to receive in the Settlement very likely will be considered to be attributable to the settlement of the claims asserted in the Litigation, all or a portion of which may be taxed at the ordinary income tax rate applicable to them. The remaining portion of their taxable gain will be taxed at applicable capital gain tax rates (including the 25% rate applicable to your share of the "unrecaptured Section 1250 gain" of the Partnership).

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Purchase Offer and is incorporated herein by reference.

The Purchase Offer and the Notice contain important information which should be read carefully and in their entirety before any decision is made with respect to the Purchase Offer.

Questions and requests for assistance relating to the completion of the Proof of Claim may be directed to the Claims Administrator at its address and telephone number provided below. Additional copies of the Purchase Offer, the Notice and related materials may also be obtained from the Claims Administrator, and will be furnished promptly at the Purchaser's expense. Any questions regarding the terms of the Settlement should be addressed to David Berg or Jim Moriarty, counsel to the class action plaintiffs. Mr. Berg's telephone number is (713) 529-5622 and Mr. Moriarty's telephone number is (713) 528-0700. The Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Claims Administrator) for soliciting tenders of Units pursuant to the Purchase Offer.

The Claims Administrator for the Purchase Offer and Consent Solicitation is:

GEMISYS Corporation

By Mail:	Facsimile Transmission:	By Hand or Overnight Delivery:
Attention: Proxy Department 7103 South Revere Parkway Englewood, CO 80112-9523	303-705-6171 (For Eligible Institutions Only) Telephone: (800) 326-8222	Attention: Proxy Department 7103 South Revere Parkway Englewood, CO 80112-9523

Exhibit (d) (1)

AGREEMENT AND PLAN OF MERGER

by and among

CBM JOINT VENTURE LLC,

CBM I ACQUISITION, L.P.

and

COURTYARD BY MARRIOTT LIMITED PARTNERSHIP

DATE: _____ ___, 2000

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Exhibit A - Certificate of Merger of CBM I Acquisition, L.P. into Courtyard by Marriott I Limited Partnership A-1

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of _____ __, 2000 by and among CBM Joint Venture LLC, a Delaware limited liability company (the "Joint Venture"), CBM I Acquisition, L.P., a Delaware limited partnership and an indirectly wholly owned subsidiary of the Joint Venture ("Merger Sub"), and Courtyard by Marriott Limited Partnership, a Delaware limited partnership (the "Partnership").

WHEREAS, Rockledge Hotel Properties, Inc., a Delaware corporation ("Rockledge"), Marriott International, Inc., a Delaware corporation ("Marriott") and certain other entities and persons are parties to a settlement agreement dated March 9, 2000 (the "Settlement Agreement") relating to the settlement (the "Settlement") of that certain lawsuit styled Cause No. 98-CI-04092 (the "Haas Litigation");

WHEREAS, pursuant to the Settlement Agreement, Rockledge and Marriott, through wholly owned subsidiaries, have formed the Joint Venture to carry out the terms of the Settlement Agreement;

WHEREAS, pursuant to the Settlement Agreement, CBM I Holdings LLC, a Delaware limited liability company (the "Purchaser") and an indirect wholly owned subsidiary of the Joint Venture, has offered to purchase (the "Purchase Offer") all of the issued and outstanding units of limited partnership interest (the "Units") in the Partnership (other than Units owned by the general partner of the Partnership, CBM One LLC, a Delaware limited liability company ("CBM One")), upon the terms and subject to the conditions set forth in the Purchase Offer and Consent Solicitation dated ____, 2000 (the "Purchase Offer and Consent Solicitation");

WHEREAS, in addition to the Purchase Offer, the terms of the Settlement Agreement provide for the merger of a subsidiary of the Joint Venture with and into the Partnership immediately following the consummation of the Purchase Offer;

WHEREAS, in order to effect the merger, the Joint Venture on _____, 2000 caused the Purchaser to form Merger Sub, with the Purchaser holding a 99% general partnership interest and CBM Mezzanine Borrower, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Joint Venture ("CBM Mezzanine Borrower") holding a 1% limited partnership interest;

WHEREAS, pursuant to the terms of the Settlement Agreement and this Agreement, Merger Sub will be merged with and into the Partnership (the "Merger"); and

WHEREAS, immediately prior to the Merger, the Purchaser will acquire 99% of the membership interests in CBM One.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the parties, all intending to be legally bound hereby, agree as follows:

1. PLAN OF MERGER

1.1. The Merger

Upon the terms and subject to the conditions hereof, and in accordance with the provisions of Section 17-211 of the Delaware Revised Uniform Limited Partnership Act (the "DRULPA"), Merger Sub shall be merged with and into the Partnership at the Effective Time (as defined below), with Units being converted into cash (except that Units held by CBM One and the Purchaser (including, without limitation, the Units acquired in the Purchase Offer) shall be converted into percentage interests in the Surviving Partnership (as defined below)), as set forth in Sections 1.3 and 1.5 below. The Partnership shall be the surviving entity of the Merger (the "Surviving Partnership"), and the separate existence of Merger Sub will cease. The Surviving Partnership shall continue its existence as a limited partnership under the laws of the State of Delaware, and its name shall continue to be "Courtyard by Marriott Limited Partnership." CBM One will continue to be the sole general partner of the Surviving Partnership following the Merger. The partnership interests of the Purchaser and CBM Mezzanine Borrower in Merger Sub will be canceled in the Merger.

1.2. Certificate of Merger; Effective Time

Upon the terms and subject to the conditions hereof, at or prior to the Closing (as defined herein), the Partnership shall execute a Certificate of Merger (the "Certificate of Merger") substantially in the form attached hereto as Exhibit A and the Partnership shall file the Certificate of Merger with the
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Office of the Secretary of State of the State of Delaware in accordance with the provisions of Section 17-211(c) of the DRULPA. The Merger shall become effective at the time and on the date specified in the Certificate of Merger, or absent any such indication, upon acceptance of filing (the "Effective Time"). The date on which the Effective Time occurs is referred to herein as the "Effective Date."

1.3. Effects of Merger

The Merger shall have the effects set forth in the DRULPA. The Partnership's Agreement of Limited Partnership as in effect immediately prior to the Effective Time (the "Partnership Agreement") shall be adopted as the partnership agreement of the Surviving Partnership and shall continue in full force and effect after the Merger until further amended in accordance with the terms and conditions thereof and applicable Delaware law. The sole general partner of the Surviving Partnership shall continue to be CBM One until it withdraws or is removed in accordance with the Partnership Agreement, and the limited partners of the Surviving Partnership immediately following the Merger shall be the Purchaser and CBM One.

1.4. Closing

The closing of the Merger (the "Closing") will take place at the time and on the date to be specified by the parties and shall be (subject to satisfaction or waiver of the conditions set forth herein) as soon as practical following consummation of the Purchase Offer (the

"Closing Date"), at the offices of Hogan & Hartson L.L.P., 555 13th Street, N.W., Washington, D.C. or such other place to which the parties may agree.

1.5. Conversion of Partnership Interests

At the Effective Time: (A) all partnership interests in Merger Sub shall be cancelled, (B) the Units held by the Purchaser (including, without limitation, the Units acquired in the Purchase Offer) shall be converted into a 93.76% limited partnership interest in the Surviving Partnership; (C) the 15 Units held by CBM One shall be converted into a 1.24% limited partnership interest in the Surviving Partnership, and CBM One's general partnership interest in the Partnership shall be unaffected by the Merger and remain outstanding so that CBM One shall own a 5% general partnership interest in the Surviving Partnership; (D) each outstanding Unit (and fraction thereof) (other than Units held by CBM One or the Purchaser or by a holder who has elected to opt-out of the Settlement (an "Opt-Out Holder")) shall be converted into the right to receive $134,130 per Unit (or a pro rata portion thereof) in cash, which amount shall be reduced by legal fees and expenses awarded by the court to the class action plaintiffs in the Haas Litigation and which shall further be reduced by any amount owed by the holder on the original purchase price of such Unit, such amount to be distributed in accordance with the terms of the Settlement Agreement; and (E) each Unit held by an Opt-Out Holder shall be converted into the right to receive cash in an amount equal to the Appraised Value (as defined below) of such Unit. The Appraised Value of each Unit held by an Opt-Out Holder shall be determined in the following manner. Two independent, nationally recognized hotel valuation firms _____ and _____, which shall be approved by the Court (or, if the Court does not approve such firms, such substitutes as may be approved by the Court), will appraise the market value of the Partnership's hotels (the "Hotels") as of the date that the order of the Court approving the terms of the Settlement and the dismissal of the Litigation shall have become Final (each, as defined in the Settlement Agreement), which appraisals will be completed within 60 days after the Effective Time and set forth in a report certified by a MAI appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (which may be based on site visits to 10 or more Hotels and a limited scope review deemed appropriate by such appraisal firm). The Appraised Value of the Units in the Merger shall be equal to the amount that Unitholders would receive if the entire equity interest in the Partnership were sold for an amount equal to (i) the average of the appraised values determined by the two appraisers plus (or minus) (ii) the net working capital of the Partnership (to the extent not distributed to the partners) minus (iii) the aggregate amount of indebtedness of the Partnership and its subsidiaries minus (iv) the fair value of deferred management fees accrued under the Management Agreement, effective as of January 4, 1997, between the Partnership and Courtyard Management Corporation minus (v) the amount of any commitments for owner funded capital expenditures and the estimated cost of any deferred maintenance with respect to the Partnership's properties, and the proceeds of such sale were then distributed among the partners of the Partnership in the same manner as liquidation proceeds in accordance with the terms of the Partnership Agreement. The liquidity of the Units will not be a factor in determining the Appraised Value of the Units.

The Surviving Partnership will pay the Appraised Value of Units held by Opt-Out Holders, without interest, to each Opt-Out Holder within 7 business days after final determination of its Appraised Value, and payment shall be made by a check mailed to the address of such Opt-Out Holder as set forth on the records of the Partnership.

2. COVENANTS

2.1. Conduct of Business by the Partnership

From the date of this Agreement to the Effective Time, except as required in connection with the Merger and the other transactions contemplated by this Agreement and the Settlement Agreement or unless the Partnership obtains prior written consent from the Joint Venture in each instance, the Partnership will:

(a) Carry on its business as currently conducted and only in the usual and ordinary course, and make no amendment (except as contemplated in the Purchase Offer and Consent Solicitation) to its partnership agreement;

(b) Use its reasonable efforts to preserve its business organization intact, to continue to operate the Partnership properties in a good and businesslike fashion consistent with past practices and to maintain the Partnership properties in good working order and condition in a manner consistent with past practice;

(c) Not incur any material liability or make any material commitment or enter into any other material transaction except in the ordinary and usual course of business or pursuant to contracts existing on the date hereof;

(d) Not issue any Units or other Partnership interests or options or rights to purchase Units or Partnership interests and not purchase any of its Units;

(e) Not organize any subsidiary and not acquire or enter into an agreement to acquire, by merger, consolidation or purchase of stock, interests or assets, any business or entity; and

(f) Not enter into, modify, amend or terminate any material agreement with respect to any of the Partnership properties, other than in the ordinary course of business or pursuant to contracts existing on the date hereof, which would encumber or be binding upon the Partnership properties from and after the Effective Time.

2.2. Reasonable Efforts; Cooperation; Notification

Each of the parties shall use its commercially reasonable efforts to take, or cause to be taken or do, or cause to be done, all things necessary, proper or advisable under applicable law to obtain all required regulatory approvals and shall cooperate fully with each of the other parties hereto and their respective officers, trustees, directors, general partners, employees, agents, counsel, accountants and other designees in connection with any steps required to be

taken as a part of its obligations under this Agreement. Each party shall do such things as may be reasonably requested by the other parties in order to more effectively consummate the Merger and the other transactions contemplated by this Agreement, including, without limitation:

(a) The parties hereto shall promptly make any respective required material filings and submissions with any agencies, boards, bureaus, courts, commissions, departments or administrations of the United States government, any state government or any local or other governmental body (a "Governmental Entity") and shall take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under applicable material statutes, laws, regulations, rules, judgments or decrees to obtain any required consent or approval of any third party or any Governmental Entity necessary to perform their respective obligations under this Agreement.

(b) The parties hereto shall cooperate and keep each other informed regarding all filings with the Securities and Exchange Commission. The Partnership and the Joint Venture shall give each other a reasonable opportunity to review and comment on any filings relating to the Purchase Offer or the Merger, promptly provide each other with copies of any comments or other communications which either party or its counsel may receive from the Staff of the Securities and Exchange Commission with respect to such filings, and afford each other an opportunity to participate in any conversations with the Securities and Exchange Commission with respect thereto.

(c) If any claim, action, suit, investigation or other proceeding by any Governmental Entity or other person is commenced which questions the validity or legality of the Merger or any of the other transactions contemplated by this Agreement or seeks damages in connection therewith, the parties shall cooperate and use all reasonable efforts to defend themselves against such claim, action, suit, investigation or other proceeding and, if an injunction or other order is issued in any such action, suit or other proceeding, to use commercially reasonable efforts to have such injunction or other order lifted, and to cooperate reasonably regarding any other impediment to the consummation of the Merger or any of the other transactions contemplated by this Agreement.

(d) Each party shall give prompt written notice to the others of (i) the occurrence, or failure to occur, of any event which occurrence or failure will or is reasonably expected to result in the failure to satisfy any of the conditions specified in Article 3 and (ii) any failure of the Partnership, the Joint Venture or Merger Sub, as the case may be, to comply in any material respect with any covenant or other agreement to be complied with under this Agreement.

3. CONDITIONS TO CLOSING

3.1. Conditions to Each Party's Obligations

The obligations of each party to effect the Merger and to consummate the other transactions contemplated by this Agreement to occur at the Effective Time shall be subject to satisfaction at or prior to the Effective Time of the following conditions:

(a) the order of the Court approving the terms of the Settlement and the dismissal of the Litigation shall have become Final;

(b) not more than 10% of the Units (other than Units held by the persons named as Insiders in the Settlement Agreement) shall be held by holders who have elected to "opt-out" of the Settlement;

(c) not more than 10% of the units of limited partnership interests in each of the other six limited partnerships involved in the Settlement (other than units held by persons named as Insiders in the Settlement Agreement) shall be held by holders who have elected to "opt-out" of the Settlement; and

(d) limited partners holding a majority of the outstanding units of limited partnership interests in each of the Partnership and Courtyard by Marriott II Limited Partnership (other than affiliates of these partnerships) shall have submitted written consents to each partnership's merger and amendments to each partnership's partnership agreement as provided in the Purchase Offer and Consent Solicitation and the Purchase Offer and Consent Solicitation for Courtyard by Marriott II Limited Partnership dated _____, 2000.

Notwithstanding the foregoing, the conditions in clauses (b) and (c) may be waived by the Joint Venture, the Purchaser and the Partnership in their sole discretion.

4. TERMINATION, EXPENSES, AMENDMENT AND WAIVER

4.1. Termination

This Agreement may be terminated at any time prior to the Effective Time, whether before or after the Certificate of Merger has been filed with the Delaware Secretary of State (provided the Effective Time has not yet occurred):

(a) by mutual written consent of the parties hereto; or

(b) by either the Joint Venture or the Partnership, if the Settlement Agreement shall be terminated.

4.2. Expenses

The Joint Venture shall pay all costs and expenses of the parties in connection with the Merger and the other transactions contemplated by this Agreement.

4.3. Amendment

This Agreement may be amended by the parties hereto at any time prior to the Effective Time only pursuant to a writing executed (i) on behalf of the Joint Venture, by each of the members of the Joint Venture, (ii) on behalf of Merger Sub, by the Purchaser, and (iii) on behalf of the Partnership, by CBM One; provided, however, that any amendments that would

have a material adverse effect on the consideration to be received by the Partnership's limited partners in the Merger must be approved by CBM One and holders of a majority of the Partnership's outstanding Units, unless such amendment is approved by the Court.

4.4. Extension; Waiver

At any time prior to the Effective Time, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, or (b) waive (if waivable) compliance with any of the agreements or conditions of the other parties contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party and then only to the extent expressly specified therein. No delay or failure of any party to this Agreement to exercise or assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

5. MISCELLANEOUS

5.1. Notices

All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered personally, sent by overnight courier (providing proof of delivery) to the parties or sent by telecopy (providing confirmation of transmission) at the following addresses or telecopy numbers (or at such other address or telecopy number for a party as shall be specified by like notice):

(a) if to the Partnership, to:

Courtyard by Marriott Limited Partnership
10400 Fernwood Road
Bethesda, MD 20817
Attention: Christopher G. Townsend
Facsimile: (301) 380-3588

(b) if to the Joint Venture or Merger Sub to:

CBM Joint Venture LLC
10400 Fernwood Road
Bethesda, MD 20817
Attention: Christopher G. Townsend
Facsimile: (301) 380-3588

and

Marriott International, Inc.
10400 Fernwood Road
Bethesda, MD 20817
Attention: Ward R. Cooper
Facsimile: (301) 380-8150

with copies (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
555 13th Street, N.W.
Washington, D.C. 20004
Attention: J. Warren Gorrell, Jr.
Bruce W. Gilchrist
Facsimile: (202) 637-5910

and

O'Melveny & Myers LLP
555 13th Street, N.W.
Washington, D.C. 20004
Attention: David G. Pommerening
Facsimile: (202) 383-5414

All notices shall be deemed given only when actually received.

5.2. Assignment and Binding Effect

This Agreement and the rights and obligations of the parties hereunder may not be assigned by any party without the prior written consent of the other parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5.3. Governing Law

This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed and construed in accordance with the laws of the State of Delaware (excluding the choice of law rules thereof).

5.4. Severability

If any part of any provision of this Agreement shall be invalid or unenforceable in any respect, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Agreement.

5.5. Further Assurances

In connection with this Agreement and the transactions contemplated hereby, each party shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate or reasonably requested by another party to effectuate and perform the provisions of this Agreement and such transactions.

5.6. Counterparts

To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement and Plan of Merger, or have caused this Agreement and Plan of Merger to be duly executed on their behalf, as of the day and year first above written.

CBM JOINT VENTURE LLC

By: Rockledge CBM Investor I, Inc.

By: _____
Name:
Title:

By: Rockledge CBM Investor II, LLC

By: _____
Name:
Title:

By: MI CBM Investor LLC

By: _____
Name:
Title:

COURTYARD BY MARRIOTT LIMITED PARTNERSHIP

By: CBM One LLC, its sole general partner

By: _____
Name:
Title:

CBM I ACQUISITION, L.P.

By: CBM One LLC, its sole general partner

By: _____
Name:
Title:

EXHIBIT A

Certificate of Merger

of

CBM I Acquisition, L.P.

into

Courtyard by Marriott Limited Partnership

Pursuant to Section 17-211 of the Delaware Revised Uniform Limited Partnership Act (the "Act"), Courtyard by Marriott Limited Partnership, a Delaware limited partnership (the "Partnership"), which is the surviving partnership in the merger described below, hereby certifies that:

FIRST: The name and state of formation of each constituent entity that is a party to the merger is as follows:

Name	State of Formation
CBM I Acquisition, L.P.	Delaware
Courtyard by Marriott Limited Partnership	Delaware

SECOND: An Agreement and Plan of Merger, dated as of _____, 2000 by and among CBM Joint Venture LLC, a Delaware limited liability company, CBM I Acquisition, L.P., a Delaware limited partnership ("Merger Sub") and the Partnership (the "Agreement and Plan of Merger"), has been approved and executed by each of the constituent entities in accordance with the requirements of Section 17-211(b) of the Act.

THIRD: Pursuant to the Agreement and Plan of Merger, Merger Sub is merged with and into the Partnership (the "Merger"), with the surviving limited partnership being the Partnership. The Partnership shall continue its existence under its present name under the laws of the State of Delaware.

FOURTH: The Merger shall be effective upon the filing of this Certificate of Merger with the Secretary of State of the State of Delaware (such time, the "Effective Time").

FIFTH: The Agreement and Plan of Merger is on file at the offices of the Partnership at the following address:

10400 Fernwood Road
Bethesda, Maryland 20817

SIXTH: A copy of the Agreement and Plan of Merger will be furnished by the Partnership, on request and without cost, to any partner or any person or entity holding an interest in any constituent limited partnership.

IN WITNESS WHEREOF, the Partnership has caused this Certificate of Merger to be duly executed as of this day of _____, 2000.

COURTYARD BY MARRIOTT
LIMITED PARTNERSHIP

By: CBM One LLC, its sole general partner

By: _____
Name:
Title:

NO. 96-CI-08327

A. R. MILKES AND D. R. BURKLEW,	(S)	IN THE DISTRICT COURT
on behalf of themselves and all other	(S)	
limited partners of Courtyard by	(S)	
Marriott II Limited Partnership	(S)	
	(S)	
v.	(S)	
	(S)	
HOST MARRIOTT CORPORATION,	(S)	
MARRIOTT INTERNATIONAL, INC.	(S)	OF BEXAR COUNTY, TEXAS
CBM TWO CORPORATION,	(S)	
COURTYARD MANAGEMENT	(S)	
CORPORATION, HOST	(S)	
INTERNATIONAL INC.,	(S)	
STEPHEN RUSHMORE and	(S)	
HOSPITALITY VALUATION	(S)	
SERVICES, INC.	(S)	285th JUDICIAL DISTRICT

NO. 98-CI-04092

ROBERT M. HAAS, SR. and	(S)	IN THE DISTRICT COURT OF
IRWIN RANDOLPH,	(S)	
JOINT TENANTS, ET AL.	(S)	
	(S)	
VS.	(S)	
	(S)	
MARRIOTT INTERNATIONAL,	(S)	
INC., HOST MARRIOTT	(S)	
CORPORATION, CBM ONE	(S)	
CORPORATION, CBM TWO	(S)	
CORPORATION, COURTYARD	(S)	
MANAGEMENT CORPORATION,	(S)	
RIBM ONE CORPORATION,	(S)	
MARRIOTT RIBM TWO	(S)	
CORPORATION, RESIDENCE	(S)	
INN BY MARRIOTT, INC.,	(S)	
MARRIOTT FIBM ONE	(S)	
CORPORATION, FAIRFIELD	(S)	BEXAR COUNTY, TEXAS
FMC CORPORATION, INC.,	(S)	
MARRIOTT DESERT SPRINGS	(S)	
CORPORATION, MARRIOTT	(S)	
DESERT SPRINGS DEVELOPMENT	(S)	

CORPORATION, MARRIOTT (S)
HOTEL SERVICES, INC., (S)
MARRIOTT MARQUIS (S)
CORPORATION, MARRIOTT (S)
HOTELS, INC., HOST (S)
INTERNATIONAL, INC., (S)
J.W. MARRIOTT, JR., (S)
STEPHEN RUSHMORE and (S)
HOSPITALITY VALUATION (S) 57TH JUDICIAL DISTRICT

SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of March 9, 2000, is made and entered into by and among the following parties: (i) the representative Plaintiffs, A.R. Milkes, Donald Burklew, Charles Carey, Linda McGuire-Raskin, Mortimer Goodkin, Wesley Tinker, Robert M. Haas, Sr., and Marsha Hendler, individually and on behalf of each of the members of the Courtyard by Marriott II Limited Partnership ("CBM II LP") Class certified by the Order of the Honorable Michael Peden, dated June 23, 1998, as modified on July 21, 1998 (the "Milkes Plaintiffs"), by and through their counsel of record in the lawsuit styled Cause No. 96-CI-08327; A.R. Milkes and D.R. Burklew v. Host Marriott Corporation, et al.; in the 285th Judicial District Court, Bexar County, Texas (the "Milkes Litigation"); (ii) each of the individual named Plaintiffs in the lawsuit styled Cause No. 98-CI-04092; Robert M. Haas, Sr., et al. v. Host Marriott Corporation, et al.; in the 57th Judicial District Court of Bexar County, Texas (the "Haas Litigation"), together with all putative class members (the "Haas Plaintiffs"), by and through their counsel of record in the Haas Litigation; (iii) the Palm and Equity Intervenors as defined herein, by and through their counsel of record in the Milkes and Haas Litigation; and (iv) the Defendants, Host Marriott Corporation, Marriott International, Inc., CBM One LLC (successor by merger to CBM One Corporation), CBM Two LLC (successor by merger to CBM Two Corporation), Host

International, Inc., Courtyard by Marriott II Limited Partnership, RIBM One LLC (successor by merger to RIBM One Corporation), RIBM Two LLC (successor by merger to Marriott RIBM Two Corporation), Residence Inn by Marriott, Inc., FIBM One LLC (successor by merger to Marriott FIBM One Corporation), Fairfield FMC Corporation, Inc., HMC Desert LLC (successor by merger to Marriott Desert Springs Corporation), Marriott Desert Springs Development Corporation, Marriott Hotel Services, Inc., Marriott Marquis Corporation, Marriott Hotels, Inc., Courtyard Management Corporation and J.W. Marriott, Jr., by and through their counsel of record in the Milkes and Haas Litigations. The Milkes Plaintiffs, the Haas Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Defendants are collectively referred to as the "Settling Parties." This Settlement Agreement is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims, as defined herein, upon and subject to the terms and conditions hereof.

WHEREAS:

I. RECITALS

A. THE MILKES LITIGATION

On June 7, 1996, Whitey Ford and 136 other limited partners in CBM II LP instituted suit. On September 20, 1996, the suit was amended to include 443 CBM II LP limited partners. By March 17, 1997, approximately 454 CBM II LP limited partners had joined the Milkes Litigation.

On January 29, 1998, representative Plaintiffs, A.R. Milkes and D.R. Burklew, filed a class action lawsuit, on behalf of themselves and a proposed class of current and former CBM II LP limited partners, against certain defendants. On June 23, 1998, the Court certified the Milkes Litigation as a Class action pursuant to the Texas Rules of Civil Procedure 42(a) and (b) with

the Class defined as "all limited partners in the CBM II LP as of January 31, 1998; excluding, however, the defendants, their parent corporations, subsidiaries and affiliates, and their predecessors and successors in interest, and the present officers, directors, or employees of any defendant or of any predecessor or successor in interest of any Defendant" (the "CBM II LP Class").

The Court appointed as representative Plaintiffs, A.R. Milkes, D.R. Burklew, Charles Carey, Mortimer Goodkin, Linda McGuire-Raskin, Wesley Tinker, Robert M. Haas, Sr. and Marsha Hendler, and by Order dated July 21, 1998, named as Lead Class Counsel, David Berg and the law firm of Berg, Androphy & Wilson. The Court further designated, as co-counsel for the CBM II LP Class, Stephen Hackerman and the law firm of Hackerman, Peterson, Frankel & Manela; David E. Warden, and the law firm of Yetter & Warden; James L. Branton, and the law firm of Branton & Hall; James Moriarty and the law firm of Moriarty & Associates, PC; J. Boyd Page and the law firm of Page & Bacek, LLP; Linda Broocks and the law firm of Ogden, Gibson, White & Broocks, LLP; Charles E. Dorr and the law firm of Charles E. Dorr, P.C.; Roy Barrera, Sr. and the law firm of Nicholas & Barrera, P.C.; and J.A. Canales and the law firm of Canales & Simonson. Lead Class Counsel and co-counsel are hereinafter collectively referred to as "Plaintiffs' Counsel."

A Notice of Pendency of Class Action was sent, in a form and manner approved by the Court (the "CBM II LP Notice of Pendency"), to members of the CBM II LP Class, advising them of the pendency of the Milkes Litigation and giving them the right to request exclusion therefrom, and notifying them that any CBM II LP Class member who failed to request exclusion as provided in the CBM II LP Notice of Pendency would be bound by any judgment subsequently rendered therein. Certain limited partners of CBM II LP, namely the Equity and

Palm Intervenors, requested exclusion from the CBM II LP Class. The CBM II LP Notice of Pendency satisfied the requirements of Texas Rule of Civil Procedure 42 regarding, among other things, the rights of CBM II LP Class members to request exclusion from the Milkes Litigation, and no additional opportunity to request exclusion is required.

After opting-out of the CBM II LP Class, on March 11, 1999, Palm Investors, LLC, as a limited partner in CBM II LP and as an alleged assignee of all right, title and interest formerly held by certain CBM II LP limited partners, by and through its counsel of record, R. James George and the law firm of George & Donaldson, LLP ("Palm's Counsel"), intervened in the Milkes Litigation (the "Palm Intervenors"). Similarly, on March 25, 1999, Equity Resource Fund X, Equity Resource Fund XV, Equity Resource Fund XVI, Equity Resource Fund XVII, Equity Resource Fund XX, Equity Resource Fund XXI, Equity Resource Bay Fund, Equity Resource Bridge Fund and Equity Resource Pilgrim Fund, by and through their counsel of record, J. Patrick Deely and the law firm of Cheslock, Deely & Rapp ("Equity's Counsel"), filed their Plea in Intervention, on behalf of themselves and as alleged assignees of all right, title and interest formerly held by certain CBM II LP limited partners (the "Equity Intervenors").

On August 27, 1999, CBM Two LLC, the General Partner of CBM II LP, appointed a Special Litigation Committee (the "SLC"), consisting of the Honorable William H. Webster and the Honorable Charles B. Renfrew, to investigate, review and analyze the facts and circumstances surrounding the alleged derivative claims asserted on behalf of CBM II LP in the Milkes Litigation. The SLC retained, as its counsel, Richard C. Tufaro and the law firm of Milbank, Tweed, Hadley & McCloy, LLP (the "SLC's Counsel").

On January 19, 2000, the Court signed an Order granting J.W. Marriott, Jr.'s Special Appearance and dismissing him from the Milkes Litigation.

The Milkes Litigation alleges, among other things, that the Defendants, or some of them: (1) breached and knowingly participated in breaches of fiduciary duties to the limited partners in CBM II LP and to CBM II LP; (2) defrauded and conspired to defraud the CBM II LP limited partners and CBM II LP; (3) conspired against the CBM II LP limited partners and CBM II LP; (4) violated the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983; (5) breached certain contracts; and (6) tortiously interfered with certain contracts. Defendants denied all allegations contained in the Milkes Lawsuit and have raised numerous affirmative defenses thereto, including, without limitation, the statutes of limitations.

B. THE HAAS LITIGATION

On March 16, 1998, Robert M. Haas, Sr. and Irwin Randolph, joint tenants, et al., filed suit against Defendants, Marriott International, Inc., Host Marriott Corporation, CBM One LLC (successor by merger to CBM One Corporation), CBM Two LLC (successor by merger to CBM Two Corporation), Host International, Inc., Courtyard by Marriott II Limited Partnership, RIBM One LLC (successor by merger to RIBM One Corporation), RIBM Two LLC (successor by merger to Marriott RIBM Two Corporation), Residence Inn by Marriott, Inc., FIBM One LLC (successor by merger to Marriott FIBM One Corporation), Fairfield FMC Corporation, Inc., HMC Desert LLC (successor by merger to Marriott Desert Springs Corporation), Marriott Desert Springs Development Corporation, Marriott Hotel Services, Inc., Marriott Marquis Corporation, Marriott Hotels, Inc., Courtyard Management Corporation, J.W. Marriott, Jr., Stephen Rushmore and Hospitality Valuation Services, Inc. Thereafter, on March 18, 1999, Jack L. Walker and Maury F. Weiss, individually and on behalf of certain limited partners in Courtyard by Marriott Limited Partnership ("CBM I LP"), filed a Class Action Petition in Intervention against Defendants. On March 26, 1999, Palm Investors, LLC, on behalf of itself and as an alleged assignee of all rights, title and interests formerly held by certain limited partners in CBM I LP, by and through Palm's Counsel, filed its Plea in Intervention. On April 5, 1999, Equity Resource Fund XI, Equity Resource Fund XIV, Equity Resource Fund XV, Equity Resource Fund XVII, Equity Resource Fund XX, Equity Resource Fund XXI, Equity Resource Bay Fund, Equity Resource Bridge Fund and Equity Resource Pilgrim Fund, on behalf of themselves and as alleged

assignees of all rights, titles and interests formally held by limited partners in CBM I LP, Palm's Counsel, filed its Plea in Intervention. On April 5, 1999, Equity Resourse Fund XI, Equity Resource Fund XIV, Equity Resource Fund XV, Equity Resource Fund XVII, Equity Resource Fund XX, Equity Resource Fund XXI, Equity Resource Bay Fund, Equity Resource Bridge Fund and Equity Resource Pilgrim Fund, on behalf of themselves and as alleged assignees of all rights, titles and interests formally held by limited partners in CMB I LP, by and through Equity's Counsel, filed its Plea in Intervention. Thereafter, Intervenors Walker and Weiss moved for certification of a class of certain limited partners of CBM I LP, which was denied by the Court.

On August 17, 1999, CBM One LLC, the General Partner of CBM I LP, appointed the SLC to investigate, review and analyze the facts and circumstances surrounding the alleged derivative claims asserted on behalf of CBM I LP in the Haas Litigation.

The Haas Litigation involves the following limited partnerships: CBM I LP, Marriott Residence Inn Limited Partnership ("Residence Inn I LP"), Marriott Residence Inn II Limited Partnership ("Residence Inn II LP"), Fairfield Inn by Marriott Limited Partnership ("Fairfield Inn LP"), Desert Springs Marriott Limited Partnership ("Desert Springs LP") and Atlanta Marriott Marquis Limited Partnership and Atlanta Marriott Marquis II Limited Partnership (collectively "Atlanta Marquis LP"), which are collectively referred to as the Haas Litigation limited partnerships. The Complaint and Pleas in Intervention in the Haas Litigation allege, among other things, that the Defendants, or some of them: (1) breached and knowingly participated in breaches of fiduciary duties to various limited partners and partnerships in the Haas Litigation limited partnerships; (2) defrauded and conspired to defraud various limited partners and partnerships in the Haas Litigation limited partnerships; (3) conspired against

various limited partners and partnerships in the Haas Litigation limited partnerships; (4) violated the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983; (5) breached certain contracts; and (6) tortiously interfered with certain contracts. Defendants denied all allegations contained in the Haas Litigation, and have raised numerous defenses thereto, including, without limitation, the statutes of limitations.

II. PRETRIAL PROCEEDINGS AND DISCOVERY IN THE MILKES AND HAAS LITIGATIONS

Extensive discovery and investigation have been conducted in the Milkes Litigation and, to a lesser degree, the Haas Litigation, including, inter alia: (i) inspecting hundreds of thousands of pages of documents produced by the Defendants and non-parties; (ii) deposing numerous present and former employees of the Defendants; (iii) deposing Plaintiffs; (iv) deposing non-party witnesses; (v) employing and consulting with experts, including reviewing and producing expert reports and attending and taking expert depositions; (vi) reviewing public and on-line filings; and (vii) researching applicable law with respect to the claims asserted in the Milkes and Haas Litigations. Discovery in the Milkes Litigation included documents and deposition testimony relevant to claims in the Haas Litigation. Settlement discussions, individually, with a mediator and with the SLC, have been intense and protracted.

III. THE BENEFITS OF SETTLEMENT

Plaintiffs' Counsel believe that the claims asserted in the Milkes and Haas Litigations have merit. They all recognize and acknowledge, however, the risks and uncertainties associated with the continued prosecution of this time-consuming litigation, and therefore, believe, that in consideration of all the circumstances, the proposed Settlement set forth in this Settlement Agreement confers substantial benefits upon the Plaintiffs and that the Settlement is fair,

adequate, reasonable and in the best interest of the Plaintiffs, the Palm Intervenors and the Equity Intervenors. The SLC and the SLC's Counsel also believe that, with respect to CBM I LP subject to Paragraph 9.3 below, and CBM II LP, the Settlement is fair, adequate and reasonable and it is in the best interests of the Settling Parties for the SLC to resolve the derivative claims relating to CBM I LP and CBM II LP.

IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions of wrongdoing or liability against them arising out of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Milkes and Haas Litigations. The Defendants also have denied and continue to deny, inter alia, that: (1) any Defendant has breached any contracts or fiduciary duties; (2) any fraud, deceit or misrepresentations occurred in connection with the formation, operation or management of any hotel or hotel limited partnership connected with any of these Defendants; and (3) anyone was harmed by any conduct alleged in the Milkes and Haas Litigations.

Nonetheless, although each deny wrongdoing of any kind whatsoever and without admitting liability, the Defendants have concluded that the further conduct of the Milkes and Haas Litigations would be protracted and expensive, and that it is desirable that the Milkes and Haas Litigations be fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement Agreement in order to limit the burden, expense, inconvenience and distraction caused by the Milkes and Haas Litigations and to repurchase the CBM I LP Units and CBM II LP Units. The Defendants also have taken into account the uncertainties and risks inherent in complex litigation.

V. THE TERMS OF THE SETTLEMENT AGREEMENT AND THE AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Plaintiffs, the Palm Intervenors, the Equity Intervenors, the SLC and the Defendants, by and through their counsel of record in the Milkes and Haas Litigations, that, subject to the approval of the Court, the Milkes and Haas Litigations and the Released Claims shall be finally and fully compromised and settled, and the Milkes and Haas Litigations shall be dismissed on the merits and with prejudice as to the Defendants, upon and subject to the terms and conditions of this Settlement Agreement, as follows:

1. Definitions

As used in this Settlement Agreement the following terms have the meanings specified below:

1.1 "Atlanta Marquis LP" means the Atlanta Marriott Marquis Limited Partnership and Atlanta Marriott Marquis II Limited Partnership.

1.2 "Atlanta Marquis LP's Counsel" means Lawrence P. Kolker and the law firm of Wolf, Haldenstein, Adler, Freeman & Herz, LLP, and Martin D. Chitwood and the law firm of Chitwood and Harley.

1.3 "Atlanta Marquis LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing to be given to the Atlanta Marquis LP Class which will be certified as part of the Atlanta Marquis LP Settlement, and to the Palm Intervenors and the Equity Intervenors, if any, who formerly owned units in Atlanta Marquis LP.

1.4 "Atlanta Marquis LP Plaintiffs" means all persons named as parties in the Haas Litigation and who formerly owned units in the Atlanta Marquis LP.

1.5 "Atlanta Marquis LP Proof of Claim" means the Atlanta Marquis LP Proof of Claim and Release.

1.6 "Atlanta Marquis LP Settlement" means the settlement of the Sturm Litigation.

1.7 "Atlanta Marquis LP Settlement Amount" means the aggregate of $4.25 million or $8,018.86 for each of the former 530 Atlanta Marquis LP Units that does not opt-out of the Atlanta Marquis Settlement and executes the Atlanta Marquis LP Proof of Claim, reduced, however, by $8,018.86 for each Atlanta Marquis LP Unit below 530 which fails to settle as provided herein.

1.8 "Atlanta Marquis LP Unit" means a unit of limited partnership interest in Atlanta Marquis LP.

1.9 "CBM I LP" means the Courtyard by Marriott Limited Partnership.

1.10 "CBM I LP Consent Form" means the form contained in the CBM I LP Purchase Offer/Consent Solicitation Statement to be completed and returned to the Claims Administrator to vote on the Proposed CBM I LP Partnership Agreement Amendments and CBM I LP Merger.

1.11 "CBM I LP Purchase Offer/Consent Solicitation Statement" means the Purchase/Offer Consent Solicitation Statement which may be set forth in one or more documents, to be prepared by the Joint Venture and CBM I LP for inclusion in the CBM I LP Notice and, following Court approval of the CBM I LP Notice, distributed to the limited partners of CBM I LP seeking (i) their written consent to the CBM I LP Merger and the Proposed CBM I LP Partnership Agreement Amendments; and (ii) their assignment, transfer and conveyance to the Joint venture or one or more of its designees of all right, title and interest in all CBM I LP Units, half-CBM I LP Units and other fractional CBM I LP Units owned by such person, together with all right, title and interest held, owned or claimed in CBM I LP, free and clear of all pledges, security interests, liens and other encumbrances whatsoever.

1.12 "CBM I LP Merger" means the merger of a subsidiary of the Joint Venture with and into CBM I LP, with CBM I LP surviving, pursuant to an agreement and plan of merger to be entered into and attached to the CBM I LP Purchase Offer/Consent Solicitation Statement, as more particularly described in Paragraph 2.9(b) hereof.

1.13 "CBM I LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing and the CBM I LP Purchase Offer/Consent Solicitation Statement and Consent Form which will be approved by the Court and given to the CBM I LP Class which will be certified as part of the CBM I LP Settlement, and to the Palm Intervenors and Equity Intervenors who own CBM I LP Units.

1.14 "CBM I LP Plaintiffs" means all persons named as parties in the Haas Litigation who own units in and/or a claim concerning CBM I LP, other than the Palm Intervenors and the Equity Intervenors, and all putative members of the CBM I LP Class to be certified in the Haas Litigation.

1.15 "CBM I LP Proof of Claim" means the CBM I LP Proof of Claim, Assignment and Release.

1.16 "CBM I LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.17 "CBM I LP Settlement Amount" means the aggregate of $154,249,500.00 or $134,130.00 for each of the 1,150 CBM I LP Units, $67,065 for each half-CBM I LP Unit, or a reduced pro-rata amount for each other fractional CBM I LP Unit, that is assigned, transferred and conveyed to the Joint Venture or to one or more its designees pursuant to this Settlement Agreement and for which a CBM I LP Proof of Claim is provided pursuant to the CBM I LP Unit Acquisition, the aggregate amount reduced, however, by $134,130.00 per CBM I LP Unit, or a pro-rata amount for each half-CBM I LP Unit or fractional CBM I LP Unit below 1,150 CBM I LP Units which is not so assigned, transferred or conveyed (including the 15 CBM I LP Units held by CBM One LLC) and reduced further by the amount, if any, a holder of any CBM I LP Unit owes on the purchase price of such unit.

1.18 "CBM I LP Unit" means a unit of limited partnership interest in CBM I LP.

1.19 "CBM I LP Unit Acquisition" means the acquisition by the Joint Venture or one of more of its designees of the CBM I LP Units held by the CBM I LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and Insiders (excluding CBM One LLC).

1.20 "CBM I LP Unit Acquisition Closing Date" means the date on which the CBM I LP Unit Acquisition is consummated.

1.21 "CBM II LP" means the Courtyard by Marriott II Limited Partnership.

1.22 "CBM II LP Consent Form" means the form contained in the CBM II LP Purchase Offer/Consent Solicitation Statement to be completed and returned to the Claims Administrator to vote on the Proposed CBM II LP Partnership Agreement Amendments and CBM II LP Merger.

1.23 "CBM II LP Purchase Offer/Consent Solicitation Statement" means the Purchase/Offer Consent Solicitation Statement, which may be set forth in one or more documents, to be prepared by the Joint Venture and CBM II LP for inclusion in the CBM II LP Notice and, following Court approval of the CBM II LP Notice, distributed to the limited partners of CBM II LP seeking (i) their written consent to the CBM II LP Merger and the Proposed CBM II LP Partnership Agreement Amendments; and (ii) their assignment, transfer and conveyance to the Joint Venture or one or more of its designees of all right, title and interest in all CBM II LP Units, half-CBM II LP Units and other fractional CBM II LP Units owned by such person, together with all right, title and interest held, owned or claimed in CBM II LP, free and clear of all pledges, security interests, liens and other encumbrances whatsoever.

1.24 "CBM II LP Merger" means the merger of a subsidiary of the Joint Venture with and into CBM II LP, with CBM II LP surviving, pursuant to an agreement and plan of merger to be entered into and attached to the CBM II LP Purchase Offer/Consent Solicitation Statement, as more particularly described in Paragraph 3.8(b) hereof.

1.25 "CBM II LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing and the CBM II LP Purchase Offer/Consent Solicitation Statement and Consent Form will be approved by the Court and given to the CBM II LP Class, and to the Palm Intervenors and the Equity Intervenors who own CBM II LP Units.

1.26 "CBM II LP Plaintiffs" means all persons named as parties in the Milkes

Litigation, who own units in and/or a claim concerning CBM II LP, other than the Palm Intervenors and the Equity Intervenors, together with all members of the CBM II LP Class certified in the Milkes Litigation.

1.27 "CBM II LP Proof of Claim" means the CBM II LP Proof of Claim, Assignment and Release.

1.28 "CBM II LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.29 "CBM II LP Settlement Amount" means the aggregate of $217,499,730.00 or $147,959.00 for each of the 1,470 CBM II LP Units, $73,979.50 for each half-CBM II LP Unit, or a reduced pro-rata amount for each other fractional CBM II LP Unit, that is assigned, transferred and conveyed to the Joint Venture or to one or more of its designees pursuant to this Settlement Agreement and for which a CBM II LP Proof of Claim is provided pursuant to the CBM II LP Unit Acquisition, the aggregate amount reduced, however, by $147,959.00 per CBM II LP Unit, or a pro-rata amount for each half-CBM II LP Unit or fractional CBM II LP Unit below 1,470 CBM II LP Units which is not so assigned, transferred or conveyed (including 21.5 CBM II LP Units held by CBM Two LLC) and reduced further by the amount, if any, a holder of any CBM II LP Unit owes on the purchase price of such unit.

1.30 "CBM II LP Unit" means a unit of limited partnership interest in CBM II LP.

1.31 "CBM II LP Unit Acquisition" means the acquisition by the Joint Venture or one or more of its designees of the CBM II LP Units held by the CBM II LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and Insiders (excluding CBM Two LLC).

1.32 "CBM II LP Unit Acquisition Closing Date" means the date on which the CBM II LP Unit Acquisition is consummated.

1.33 "Claims Administrator" means GEMISYS, Proxy Department, 7103 South Revere Parkway, Englewood, Colorado 80112.

1.34 "Defendants" means Host Marriott Corporation, Marriott International, Inc., CBM One LLC (successor by merger to CBM One Corporation), CBM Two LLC (successor by merger to CBM Two Corporation), Host International, Inc., Courtyard by Marriott II Limited Partnership, RIBM One LLC (successor by merger to RIBM One Corporation), RIBM Two LLC (successor by merger to Marriott RIBM Two Corporation), Residence Inn by Marriott, Inc., FIBM One LLC (successor by merger to Marriott FIBM One Corporation), Fairfield FMC Corporation, Inc., Marriott Desert Springs LLC (successor by merger to Marriott Desert Springs Corporation), Marriott Desert Springs Development Corporation, Marriott Hotel Services, Inc., Marriott Marquis Corporation, Marriott Hotels, Inc., Courtyard Management Corporation and J.W. Marriott, Jr.

1.35 "Defendants' Counsel" means those attorneys and law firms representing the Defendants in the Litigation.

1.36 "Desert Springs LP" means the Desert Springs Marriott Limited Partnership.

1.37 "Desert Springs LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing to be given to the Desert Springs LP Class which will be certified as part of the Desert Springs LP Settlement, and to the Palm Intervenors and the Equity Intervenors who formerly owned units in Desert Springs LP.

1.38 "Desert Springs LP Plaintiffs" means all persons named as parties in the Haas Litigation who formerly owned units in and/or a claim concerning the Desert Springs LP, other than the Palm Intervenors and the Equity Intervenors, and all putative members of the Desert Springs LP Class to be certified in the Haas Litigation.

1.39 "Desert Springs LP Proof of Claim" means the Desert Springs LP Proof of Claim and Release.

1.40 "Desert Springs LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.41 "Desert Springs LP Settlement Amount" means the aggregate of $12,111,000.00, or (i) $21,900.54 per unit to former holders of the 206 former Desert Springs LP units who are currently Plaintiffs in the Haas Litigation that do not opt-out of the Desert Springs LP Class and executes the Desert Springs LP Proof of Claim, the aggregate amount reduced, however, by $21,900.54 for each unit below 206 which fails to settle as provided herein; and (ii) $10,950.27 per unit to the former holders of the 694 remaining former units of Desert Springs LP as of December 28, 1998 that do not opt-out of the Desert Springs LP Class and execute the Desert Springs LP Proof of Claim, the aggregate amount reduced, however, by $10,950.27 for each unit below 694 which fails to settle as provided herein.

1.42 "Effective Date" means the business day on which the Judgment Order becomes Final.

1.43 "Equity Intervenors" shall mean Equity Resource Fund X, Equity Resource Fund XII, Equity Resource Fund XIV, Equity Resource Fund XV, Equity Resource Fund XVI, Equity Resource Fund XVII, Equity Resource Fund XX, Equity Resource Fund XXI, Equity Resource Bay Fund, Equity Resource Bridge Fund, and Equity Resource Pilgrim Fund, and any affiliate who purchased units in CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP, Fairfield Inn LP, Desert Springs LP, or Atlanta Marquis LP (if any).

1.44 "Equity's Counsel" means J. Patrick Deely and the law firm of Cheslock, Deely & Rapp.

1.45 "Escrow Agent" means Chase Bank of Texas, N.A.

1.46 "Fairfield Inn LP" means the Fairfield Inn by Marriott Limited Partnership.

1.47 "Fairfield Inn LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing to be given to the Fairfield Inn LP Class which will be certified as part of the Fairfield Inn LP Settlement, and to the Palm Intervenors and the Equity Intervenors who own units in Fairfield Inn LP.

1.48 "Fairfield Inn LP Plaintiffs" means all persons named as parties in the Haas Litigation and who own units in and/or a claim concerning Fairfield Inn LP, other than the Palm Intervenors and the Equity Intervenors, and all putative members of the Fairfield Inn LP Class to be certified in the Haas Litigation.

1.49 "Fairfield Inn LP Proof of Claim" means the Fairfield Inn LP Proof of Claim and Release.

1.50 "Fairfield Inn LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.51 "Fairfield Inn LP Settlement Amount" means the aggregate of $19,032,504.06, or $228.38 for each of the 83,337 Fairfield Inn LP partnership units that does not opt-out of the Fairfield Inn LP Class and executes the Fairfield Inn LP Proof of Claim, the aggregate amount reduced, however, by $228.38 for each unit below 83,337 which fails to settle as provided herein.

1.52 "Final" when referring to the Judgment Order or an appeal of the Judgment Order means that: (a) the Judgment Order is a final, appealable judgment; and (b) either (i) the time for filing or noticing of any appeal or other judicial review of the Judgment Order has expired without any such appeal or other review of the judgment having been commenced, or (ii) if an

appeal or other review of the Judgment Order has been filed, such appeal or other review is finally concluded and is no longer subject to review by any court, whether by appeal, writ of certiorari or otherwise, and such appeal or other review has been resolved in such manner as to permit the consummation of the Settlement as contemplated by the Judgment Order; provided (iii) that an appeal of the Judgment Order relating solely to the amount, allocation or other issue relating to an award of attorneys' fees to Plaintiffs' Counsel and/or Atlanta Marquis LP's Counsel shall not affect the finality of the Judgment Order for purposes of this Settlement and the Judgment Order shall be deemed "Final" notwithstanding such an appeal.

1.53 "Haas Litigation" means the lawsuit styled: Cause No. 98-CI-04092; Robert M. Haas, Sr., et al v. Host Marriott Corporation, et al; in the 57th Judicial District Court of Bexar County, Texas (the "Court).

1.54 "Hearing Order" means the Order with Respect to Hearing on the Settlement, Notice, and Plaintiffs' Counsels' and Atlanta Marquis LP's Counsels' Applications for Attorneys' Fees and Reimbursement of Litigation Costs and Expenses.

1.55 "Host Marriott" means, individually and collectively, Host Marriott Corporation, a Maryland corporation, and Host Marriott, L.P., a Delaware limited partnership of which Host Marriott Corporation is the general partner, and their respective successors and assigns.

1.56 "Insiders" means those persons or entities related to Defendants and identified on Exhibit "A."

1.57 "Interest" means simple interest at the rate for one year certificates of deposit as published in the Wall Street Journal "Money Rates" to be adjusted (but not compounded) on a weekly basis on Monday of each week.

1.58 "Joint Venture" means a to-be-formed Delaware limited liability company owned by Rockledge and by an indirect wholly-owned subsidiary of Marriott International, and each other Person in which it directly or indirectly will have an ownership interest, and their respective successors and assigns.

1.59 "Judgment Order" means the judgment order to be rendered by the Court in the Milkes and Haas Litigations approving the fairness of the Settlement, dismissing the Milkes and Haas Litigations with prejudice, extinguishing as to the Released Persons the Released Claims and permanently barring and enjoining such persons from asserting such Released Claims, and addressing such other matters as the Court deems necessary and appropriate.

1.60 "Marriott International" means Marriott International, Inc., a Delaware Corporation, and its successors and assigns.

1.61 "Milkes Litigation" means the lawsuit styled: Cause No. 96-CI-08327; A.R. Milkes and D.R. Burklew v. Host Marriott Corporation, et al.; in the 285th Judicial District Court of Bexar County, Texas (the "Court").

1.62 "Net Settlement Amount" means:

(a) as to each Plaintiff, the pro-rata portion of the settlement amount due to such Plaintiff for a particular partnership, less Plaintiffs' Counsel's Attorneys' Fees,; and reduced further by the amount, if any, such Plaintiff owes on the purchase price of its unit.

(b) as to the Palm Intervenors, the pro-rata portion of the settlement amount due to the Palm Intervenors for a particular partnership, without any deduction for Plaintiffs' Counsel's Attorneys' Fees, it being understood that the Palm Intervenors shall be separately responsible for payment of attorneys' fees and litigation costs and expenses to Palm's Counsel and that no request for reimbursement from the Settlement Fund will be made by Palm's Counsel to the Court;

(c) as to the Equity Intervenors, the pro-rata portion of the settlement amount due to the Equity Intervenors for a particular partnership, without regard to any deduction for Plaintiffs' Counsel's Attorneys' Fees, it being understood that the Equity Intervenors shall be separately responsible for payment of attorneys' fees and litigation costs and expenses to Equity's Counsel and that no request for reimbursement from the Settlement Fund will be made by Equity's Counsel to the Court;

(d) as to the Insiders, the pro-rata portion of the settlement amount due to Insiders in the CBM I LP Settlement or the CBM II LP Settlement, without regard to deduction for Plaintiffs' Counsel's Attorneys' Fees, it being understood that the Insiders were not represented by Plaintiffs' Counsel and will make no separate application for reimbursement of

attorneys' fees or litigation costs.

1.63 "Net Settlement Fund" means the Settlement Fund less (a) Plaintiffs' Counsel's Attorneys' Fees; and (b) any and all payments to the Equity Intervenors, the Palm Intervenors and/or the Insiders as set forth herein.

1.64 "Palm Intervenors" shall mean Palm Investors, LLC and any affiliates who purchased CBM II LP or CBM I LP Units.

1.65 "Palm's Counsel" means R. James George and the law firm of George & Donaldson, LLP.

1.66 "Person" means a natural person or entity, corporation, partnership, limited partnership, association, joint stock company, limited liability company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, or any business or legal entity, and its respective spouses, heirs, predecessors, successors, representatives, agents or assigns.

1.67 "Plaintiffs" means collectively all CBM I LP Plaintiffs, all CBM II LP Plaintiffs, all Residence Inn I LP Plaintiffs, all Residence Inn II LP Plaintiffs, all Fairfield Inn Plaintiffs, and all Desert Springs LP Plaintiffs.

1.68 "Plaintiffs' Counsel" means David Berg and the law firm of Berg, Androphy & Wilson; Stephen Hackerman and the law firm of Hackerman, Peterson, Frankel & Manela; David E. Warden, and the law firm of Yetter & Warden; James L. Branton, and the law firm of Branton & Hall; James Moriarty and the law firm of Moriarty & Associates, PC; J. Boyd Page and the law firm of Page & Bacek, LLP; Linda Broocks and the law firm of Ogden, Gibson, White & Broocks, LLP; Charles E. Dorr and the law firm of Charles E. Dorr, P.C.; Roy Barrera, Sr. and the law firm of Nicholas & Barrera, P.C.; and J.A. Canales and the law firm of Canales &

Simonson.

1.69 "Plaintiffs' Counsel's Attorneys' Fees" means the attorneys' fees and reimbursement of litigation costs and expenses awarded by the Court to Plaintiffs' Counsel less $4.25 million, the amount by which Plaintiffs' Counsel has agreed to reduce their attorneys' fees pursuant to Paragraph 13.1 herein.

1.70 "Plan of Allocation" means a plan or formula of allocation of the Settlement Fund to be approved by the Court whereby the Settlement Fund and the Net Settlement Fund shall be distributed as set forth herein.

1.71 "Proposed CBM I LP Partnership Agreement Amendments" means the amendments to the Amended and Restated Agreement of Limited Partnership of CBM I LP, as amended, as requested by the Joint Venture or any of the Defendants in order to permit, implement or facilitate the CBM I LP Settlement or any of the transactions constituting a part thereof (including, without limitation, the CBM I LP Unit Acquisition and the CBM I LP Merger), which amendments shall be described in the CBM I LP Purchase Offer/Consent Solicitation Statement approved by the Court as part of the CBM I LP Notice.

1.72 "Proposed CBM II LP Partnership Agreement Amendments" means the amendments to the Amended and Restated Agreement of Limited Partnership of CBM II LP, as amended, as requested by the Joint Venture or any of the Defendants in order to permit, implement or facilitate the CBM II LP Settlement or any of the transactions constituting a part thereof (including, without limitation, the CBM II LP Unit Acquisition and the CBM II LP Merger), which amendments shall be described in the CBM II LP Purchase/Offer/Consent Solicitation Statement approved by the Court as part of the CBM II LP Notice.

1.73 "Released Claims" means all those claims which are released, settled and discharged as part of this Settlement as described on Exhibits B, C, D, E, F, and G, attached hereto and incorporated herein by reference.

1.74 "Released Atlanta Marquis LP Claims" means all those claims which are released, settled and discharged as part of the Atlanta Marquis LP Settlement.

1.75 "Released CBM I LP Claims" means all those claims which are released, settled and discharged as part of the CBM I LP Settlement, and which are described on Exhibit B, attached hereto and incorporated herein by reference.

1.76 "Released CBM II LP Claims" means all those claims which are released, settled and discharged as part of the CBM II LP Settlement, and which are described on Exhibit C, attached hereto and incorporated herein by reference.

1.77 "Released Desert Springs LP Claims" means all those claims which are released, settled and discharged as part of the Desert Springs LP Settlement, and which are described on Exhibit D,, attached hereto and incorporated herein by reference.

1.78 "Released Fairfield Inn LP Claims" means all those claims which are released, settled and discharged as part of the Fairfield Inn LP Settlement, and which are described on Exhibit E, attached hereto and incorporated herein by reference.

1.79 "Released Persons" means: (i) each and all of the Defendants and their predecessors, successors, parents, subsidiaries, divisions, affiliates and related entities; (ii) each of the foregoing persons' or entities' respective past or present directors, officers, employees, partners, members, principals, trustees, agents, servants, appraisers, including, but not limited to, Stephen Rushmore and Hospitality Valuation Services, Inc., underwriters, issuers, shareholders, insurers, co-insurers, reinsurers, independent contractors, controlling shareholders, wholesalers,

resellers, distributors, retailers, attorneys, accountants, auditors, consultants, investment bankers, advisors, personal representatives, affiliates, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs, executors, administrators, associates, and related or affiliated entities; and (iii) any members of the foregoing persons' immediate families, or any trust of which any of the foregoing persons is the settlor or which is for the benefit of any of the foregoing persons and/or member(s) of his or her family.

1.80 "Released Residence Inn I LP Claims" means all those claims which are released, settled and discharged as part of the Residence Inn I LP Settlement, and which are described on Exhibit F, attached hereto and incorporated herein by reference.

1.81 "Released Residence Inn II LP Claims" means all those claims which are released, settled and discharged as part of the Residence Inn II LP Settlement, and which are described on Exhibit G, attached hereto and incorporated herein by reference.

1.82 "Residence Inn I LP" means the Marriott Residence Inn Limited Partnership.

1.83 "Residence Inn I LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing to be given to the Residence Inn I LP Class which will be certified as part of the Residence Inn I LP Settlement, and to the Palm Intervenors and the Equity Intervenors who own units in Residence Inn I LP.

1.84 "Residence Inn I LP Plaintiffs" means all persons named as parties in the Haas Litigation who own units in and/or a claim concerning the Residence Inn I LP, other than the Palm Intervenors and the Equity Intervenors, and all putative members of the Residence Inn I LP Class to be certified in the Haas Litigation.

1.85 "Residence Inn I LP Proof of Claim" means the Residence Inn I LP Proof of Claim and Release.

1.86 "Residence Inn I LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.87 "Residence Inn I LP Settlement Amount" means the aggregate of $14,981,728.00, or $228.38 for each of the 65,600 Residence Inn I LP partnership units that does not opt-out of the Residence Inn I LP Class and executes the Residence Inn I LP Proof of Claim, the aggregate amount reduced, however, by $228.38 for each unit below 65,600 which fails to settle as provided herein.

1.88 "Residence Inn II LP" means the Marriott Residence Inn II Limited Partnership.

1.89 "Residence Inn II LP Notice" means the Notice of Proposed Settlement of Class Action and Settlement Hearing to be given to the Residence Inn II LP Class which will be certified as part of the Residence Inn II LP Settlement, and to the Palm Intervenors and the Equity Intervenors who own units in Residence Inn II LP.

1.90 "Residence Inn II LP Plaintiffs" means all persons named as parties in the Haas Litigation who own units in and/or a claim concerning Residence Inn II LP, other than the Palm Intervenors and the Equity Intervenors, and all putative members of the Residence Inn II LP Class to be certified in the Haas Litigation.

1.91 "Residence Inn II LP Proof of Claim" means the Residence Inn II LP Proof of Claim and Release.

1.92 "Residence Inn II LP Settlement" means the satisfaction of all the Settlement terms and conditions as set forth herein.

1.93 "Residence Inn II LP Settlement Amount" means the aggregate of $15,986,600.00, or $228.38 for each of the 70,000 Residence Inn II LP partnership units that does not opt-out of the Residence Inn II LP Class and executes the Residence Inn II LP Proof of

Claim, the aggregate amount reduced, however, by $228.38 for each unit below 70,000 which fails to settle as provided herein.

1.94 "Rockledge" means Rockledge Hotel Properties, Inc., a Delaware corporation in which Host Marriott owns approximately 95% of the economic interests and which is the owner, directly or indirectly, of 99% of each of CBM One LLC, CBM Two LLC, RIBM One LLC, RIBM Two LLC and FIBM One LLC, the general partners of CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP and Fairfield Inn LP, respectively, by virtue of their mergers with CBM One Corporation, CBM Two Corporation, RIBM One Corporation, Marriott RIBM Two Corporation and Marriott FIBM One Corporation, respectively, and its successors and assigns. Rockledge has joined in this Settlement Agreement as an additional party hereto.

1.95 "Settlement" means the resolution of the Milkes and Haas Litigations, according to the terms and conditions set forth in this Settlement Agreement.

1.96 "Settlement Agreement" means this Settlement Agreement.

1.97 "Settlement Fund" means the total of the CBM I LP Settlement Amount , CBM II LP Settlement Amount,, Residence Inn I LP Settlement Amount, Residence Inn II LP Settlement Amount,, Fairfield Inn LP Settlement Amount, and Desert Springs LP Settlement Amount, plus any Interest pursuant to Paragraphs 11.2 and 17.1, less $4.25 Million to be taken out of any award of attorneys' fees to Plaintiffs' Counsel as set forth herein.

1.98 "Settling Parties" means, collectively, each of the Defendants, the Plaintiffs, the Palm Intervenors, the Equity Intervenors and the SLC, by and through their respective counsel of record in the Haas and Milkes Litigations.

1.99 "SLC" means the Special Litigation Committee appointed by the General Partners of CBM I LP and CBM II LP.

1.100 "Sturm Litigation" means the lawsuit styled Civil Action No. 1:97-CV-3706-TWT; Hiram and Ruth Sturm, et al v. Marriott Marquis Corporation, et al; In the United States District Court for the Northern District of Georgia.

1.101 "Sturm Plaintiffs" means all persons named as parties in the Sturm Litigation who formerly owned units in and/or a claim concerning the Atlanta Marquis LP, other than the Equity Intervenors, and all putative members of the class to be certified in the Sturm Litigation.

2. CBM I LP Settlement

2.1 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, the Joint Venture will pay or cause to be paid the CBM I LP Settlement Amount on behalf of and for the benefit of the CBM I LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Insiders (other than CBM One LLC).

2.2 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all CBM I LP Unit holders, excluding, however, the Equity Intervenors and the Palm Intervenors (the "CBM I LP Class").

2.3 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, the CBM I LP Plaintiffs, the Palm Intervenors and the Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Released CBM I LP Claims as of the Effective Date. The Released CBM I LP Claims are defined in Exhibit B, attached hereto and incorporated herein by reference.

2.4 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, the CBM I LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the

Insiders (other than CBM One LLC) will assign, transfer and convey to the Joint Venture, or to one or more of its designees, all CBM I LP Units, half-units and other fractional units, together with all right, title and interest held, owned or claimed in CBM I LP.

2.5 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, each CBM I LP Plaintiff, Palm Intervenor and Equity Intervenor will be given an opportunity to vote on those certain Proposed CBM I LP Partnership Agreement Amendments which will be described in the CBM I LP Purchase Offer/Consent Solicitation Statement to be sent to each CBM I LP Plaintiff, Palm Intervenor and Equity Intervenor.

2.6 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, each CBM I LP Plaintiff, Palm Intervenor and Equity Intervenor will be given the opportunity to vote on the CBM I LP Merger which will be described in the CBM I LP Purchase Offer/Consent Solicitation Statement sent to all CBM I LP Plaintiffs, Palm Intervenors and Equity Intervenors.

2.7 As part of the CBM I LP Settlement, and subject to the terms and conditions contained herein, and before payment of any CBM I LP Settlement Amount is made to any such person, each CBM I LP Plaintiff, Palm Intervenor, Equity Intervenor and Insider will execute and timely return the CBM I LP Proof of Claim in the form and manner described therein.

2.8 Defendants have the unilateral option, at their sole discretion prior to the entry of the Judgment Order, to terminate the CBM I LP Settlement, without cost or expense, other than notice costs relating to the CBM I LP Settlement, if: (1) holders of more than ten percent (10%) of the CBM I LP Units opt-out of the CBM I LP Settlement; or (2) holders of a majority of the CBM I LP Units (other than those owned by Insiders) fail to vote in favor of or given written consent to the CBM I LP Merger or the Proposed CBM I LP Partnership Agreement

Amendments; or (3) Defendants fail to receive any necessary third party consents; or (4) any of the terms or conditions of Paragraph 10 are not satisfied.

2.9 Subject to the terms and conditions set forth herein (including, without limitation, the conditions set forth in Paragraphs 10.1 and 10.2 hereof), the CBM I LP Settlement will be effected through a fully-integrated two-step process approved by the Court as described in this Paragraph 2.9.

(a) CBM I LP Unit Acquisition. The first step of the CBM I LP Settlement shall be the acquisition by the Joint Venture or one or more of its designees of the CBM I LP Units held by the CBM I LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Insiders (other than CBM One LLC) and the release of the Released Persons from the Released CBM I LP Claims by the CBM I LP Plaintiffs, the Palm Intervenors and the Equity Intervenors (the "CBM I LP Unit Acquisition"). In the CBM I LP Unit Acquisition, the Joint Venture shall pay or cause to be paid, at the appropriate time as provided herein, to each CBM I LP Plaintiff, Palm Intervenor, Equity Intervenor and Insider (other than CBM One LLC) after receipt by the Claims Administrator of a valid CBM I LP Proof of Claim as described in Paragraph 1.15 hereof prior to the CBM I LP Unit Acquisition Closing Date, an amount with respect to each CBM I LP Unit (or half-CBM I LP Unit or other fractional CBM I LP Unit) so acquired equal to its pro-rata proportion of the Net Settlement Amount with respect to CBM I LP. To receive the Net Settlement Amount with respect to CBM I LP, a CBM I LP Plaintiff, Palm Intervenor, Equity Intervenor or Insider (other than CBM One LLC), as the case may be, shall have executed and delivered the CBM I LP Proof of Claim prior to the CBM I LP Unit Acquisition Date, pursuant to which such person shall have (A) assigned, transferred and conveyed to the Joint Venture or one or more of its designees all right, title and interest in all CBM I LP Units, half-CBM I LP

Units and other fractional CBM I LP Units owned by such person, together with all rights, title and interest held, owned or claimed in CBM I LP, free and clear of all pledges, security interests, liens and other encumbrances whatsoever, and (B) released the Released Persons from the Released CBM I LP Claims. The CBM I LP Unit Acquisition shall be effective as of the Effective Date, and the CBM I LP Unit Acquisition Closing Date shall be as soon as practicable following the Effective Date.

(b) CBM I LP Merger. The second step of the Settlement with
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respect to CBM I LP shall be the merger of a subsidiary of the Joint Venture with and into CBM I LP, with CBM I LP surviving as the surviving limited partnership (the "CBM I LP Merger"), pursuant to an agreement and plan of merger to be entered into among CBM I LP, the Joint Venture and such merger subsidiary and attached to the CBM I LP Purchase Offer/Consent Solicitation Statement. In the CBM I LP Merger, (A) the general partner interest held by CBM One LLC and each CBM I LP Unit held directly or indirectly by the Joint Venture (including, without limitation, the CBM I LP Units acquired in the CBM I LP Unit Acquisition) shall remain outstanding and shall be unaffected by the CBM I LP Merger, (B) the interests in the merger subsidiary shall be converted into CBM I LP Units, (C) each CBM I LP Unit held by a CBM I LP Plaintiff, Palm Intervenor, Equity Intervenor, or Insider (other than CBM One LLC) who has not executed and delivered to the Claims Administrator a CBM I LP Proof of Claim prior to the CBM I LP Unit Acquisition Closing Date shall be converted into the right to receive cash in an amount equal to their pro-rata proportion of the Net Settlement Amount with respect to CBM I LP, and (D) each remaining CBM I LP Unit, being a CBM I LP Unit held by a Person who has opted-out of the CBM I LP Class and elected not to participate in the CBM I LP Settlement, shall be converted into the right to receive cash in an amount equal to the value of such CBM I LP

Unit, determined in the following manner: (I) two independent, nationally recognized hotel valuation firms approved by the Court and identified in the CBM I LP Merger Agreement shall appraise the market value of the hotels owned by CBM I LP as of the Effective Date, which appraisals shall be completed within 60 days after the effective time of the CBM I LP Merger and set forth in a report certified by a MAI appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (which may be based on site visits to 10 or more hotels and a limited scope review deemed appropriate by such appraisal firm); and (II) the value of such CBM I LP Unit shall be equal to the amount that would be distributed with respect to such CBM I LP Unit if the CBM I LP hotels were sold for an amount equal to the average of the appraised values determined by the two appraisers, all outstanding indebtedness of CBM I LP and its subsidiaries were repaid in full in accordance with its terms (including any applicable defeasance costs and prepayment penalties), all other liabilities of CBM I LP and its subsidiaries were paid in full (including all amounts due under the CBM I LP management agreement), and CBM I LP thereafter were liquidated and the liquidation proceeds were distributed among the CBM I LP partners in accordance with the terms of the CBM I LP Partnership Agreement. The amount to be received in the CBM I LP Merger by the holders of the CBM I LP Units who have opted-out of the CBM I LP Class and elected not to participate in the CBM I LP Settlement will not include any amount with respect to any claims against the Defendants. The CBM I LP Merger shall be consummated and be effective on the CBM I LP Unit Acquisition Closing Date immediately following consummation of the CBM I LP Unit Acquisition, and thereafter the holders of CBM I LP Units who have not yet delivered a CBM I LP Proof of Claim and holders of CBM I LP Units who have opted-out of the

CBM I LP Class and elected not to participate in the CBM I LP Settlement shall no longer hold any equity interest in CBM I LP.

2.10 CBM I LP Plaintiffs who elect not to participate ("Opt-Out CBM I LP Plaintiffs") will be informed in the proposed CBM I LP Notice that in addition to the payment described in Paragraph 2.9(b)(D), they are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the CBM I LP Plaintiffs in the Haas Litigation.

2.11 Notwithstanding the failure of any CBM I LP Plaintiff, Palm Intervenors, Equity Intervenors or Insiders to execute and deliver the CBM I LP Proof of Claim, upon the Judgment Order becoming Final, such CBM I LP Plaintiffs, Palm Intervenors, Equity Intervenors and Insiders will be deemed to have: (1) released the Released CBM I LP Claims against the Released Persons; and (2) assigned, transferred and conveyed to the Joint Venture or one or more of its designees, all CBM I LP Units, half-units and other fractional units in CBM I LP.

3. CBM II LP Settlement

3.1 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, the Joint Venture will pay or cause to be paid the CBM II LP Settlement Amount on behalf of and for the benefit of the CBM II LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Insiders (other than CBM Two LLC).

3.2 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, the CBM II LP Plaintiffs, the Palm Intervenors and Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Released CBM II LP Claims as of the Effective Date. The Released CBM II LP Claims are defined in Exhibit C, attached hereto and incorporated herein by reference.

3.3 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, the CBM II LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Insiders (other than CBM Two LLC) will assign, transfer and convey to the Joint Venture or to one or more of its designees, all CBM II LP Partnership Units, half-units and other fractional units, together with all rights, title and interest held, owned or claimed in CBM II LP.

3.4 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, each CBM II LP Plaintiff, Palm Intervenor and Equity Intervenor will be given an opportunity to vote on those certain Proposed CBM II LP Partnership Agreement Amendments which will be described in the CBM II LP Purchase Offer/Consent Solicitation Statement to be sent to each CBM II LP Plaintiff, Palm Intervenor and Equity Intervenor.

3.5 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, each CBM II LP Plaintiff, Palm Intervenor and Equity Intervenor will be given an opportunity to vote on the CBM II LP Merger which will be described in the CBM II LP Purchase/Offer Consent Solicitation Statement sent to all CBM II LP Plaintiffs, Palm Intervenors and Equity Intervenors.

3.6 As part of the CBM II LP Settlement, and subject to the terms and conditions contained herein, and before payment of any CBM II LP Settlement Amount is made to any such person, each CBM II LP Plaintiff, Palm Intervenor, Equity Intervenor and Insider will execute and timely return the CBM II LP Proof of Claim in the form and manner described therein.

3.7 Defendants have the unilateral option, at their sole discretion prior to the entry of the Judgment Order, to terminate the CBM II LP Settlement, without cost or expense, other than notice costs relating to the CBM II LP Settlement, if: (1) holders of more than ten percent (10%) of the CBM II LP Units opt-out of the CBM II LP Settlement; or (2) holders of a majority of the

CBM II LP Units (other than those owned by Insiders) fail to vote in favor of or give written consent to the CBM II LP Merger or the Proposed CBM II LP Partnership Agreement Amendments; or (3) Defendants fail to receive any necessary third party consents; or (4) the terms and conditions of Paragraph 10 are not satisfied.

3.8 Subject to the terms and conditions set forth herein (including, without limitation, the conditions set forth in Paragraphs 10.1 and 10.2 hereof), the CBM II LP Settlement will be effected through a fully-integrated two-step process approved by the Court as described in this Paragraph 3.8.

(a) CBM II LP Unit Acquisition. The first step of the CBM II LP Settlement shall be the acquisition by the Joint Venture or one or more of its designees of the CBM II LP Units held by the CBM II LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and Insiders (other than CBM Two LLC) and the release of the Released Persons from the Released CBM II LP Claims by the CBM II LP Plaintiffs, the Palm Intervenors, the Equity Intervenors and the Insiders (the "CBM II LP Unit Acquisition"). In the CBM II LP Unit Acquisition, the Joint Venture shall pay or cause to be paid, at the appropriate time as provided herein, to each CBM II LP Plaintiff, Palm Intervenors, Equity Intervenors and Insiders (other than CBM Two LLC) after receipt by the Claims Administrator of a valid CBM II LP Proof of Claim as described in Paragraph 1.76 hereof, prior to the CBM II LP Unit Acquisition Closing Date, an amount with respect to each CBM II LP Unit (or half-CBM II LP Unit or other fractional CBM II LP Unit) so acquired equal to their pro-rata proportion of the Net Settlement Amount with respect to CBM II LP. To receive the Net Settlement Amount with respect to CBM II LP, a CBM II LP Plaintiff, Palm Intervenor, Equity Intervenor and Insider (other than CBM Two LLC), as the case may be, shall have executed and delivered the CBM II LP Proof of Claim, prior to the CBM II LP Unit

Acquisition Closing Date, pursuant to which such person shall have (A) assigned, transferred and conveyed to the Joint Venture or one or more of its designees all rights, title and interest in all CBM II LP Units, half-CBM II LP Units and other fractional CBM II LP Units owned by such person, together with all rights, title and interest held, owned or claimed in CBM II LP, free and clear of all pledges, security interests, liens and other encumbrances whatsoever, and (B) released the Released Persons from the Released CBM II LP Claims. The CBM II LP Unit Acquisition shall be effective as of the Effective Date and shall be consummated as soon as practicable following the Effective Date.

(b) CBM II LP Merger. The second step of the Settlement with respect to CBM II LP shall be the merger of a subsidiary of the Joint Venture with and into CBM II LP, with CBM II LP surviving as the surviving limited partnership (the "CBM II LP Merger"), pursuant to an agreement and plan of merger to be entered into among CBM II LP, the Joint Venture and such merger subsidiary and attached to the CBM II LP Purchase Offer/Consent Solicitation Statement. In the CBM II LP Merger, (A) the general partner interest held by CBM One LLC and each CBM II LP Unit held directly or indirectly by the Joint Venture (including, without limitation, the CBM II LP Units acquired in the CBM II LP Unit Acquisition) shall remain outstanding and shall be unaffected by the CBM II LP Merger, (B) the interests in the merger subsidiary shall be converted into CBM II LP Units, (C) each CBM II LP Unit held by a CBM II LP Plaintiff, a Palm Intervenor, an Equity Intervenor or Insider (other than CBM Two LLC) who has not executed and delivered to the Claims Administrator a CBM II LP Proof of Claim prior to the CBM II LP Unit Acquisition Closing Date shall be converted into the right to receive cash in an amount equal to their pro-rata proportion of the Net Settlement Amount with respect to CBM II LP, and (D) each remaining CBM II LP Unit, being a CBM II LP Unit held by a Person who has

opted-out of the CBM II LP Class and elected not to participate in the CBM II LP Settlement, shall be converted into the right to receive cash in an amount equal to the value of such CBM II LP Unit, determined in the following manner: (I) two independent, nationally recognized hotel valuation firms approved by the Court and identified in the CBM II LP merger agreement shall appraise the market value of the hotels owned by CBM II LP as of the Effective Date, which appraisals shall be completed within 60 days after the effective time of the CBM II LP Merger and set forth in a report certified by a MAI appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (which may be based on site visits to 10 or more hotels and a limited scope review deemed appropriate by such appraisal firm); and (II) the value of such CBM II LP Unit shall be equal to the amount that would be distributed with respect to such CBM II LP Unit if the CBM II LP hotels were sold for an amount equal to the average of the appraised values determined by the two appraisers, all outstanding indebtedness of CBM II LP and its subsidiaries were repaid in full in accordance with its terms (including any applicable defeasance costs and prepayment penalties), all other liabilities of CBM II LP and its subsidiaries were paid in full (including all amounts due under the CBM II LP Management Agreement), and CBM II LP thereafter were liquidated and the liquidation proceeds were distributed among the CBM II LP partners in accordance with the terms of the CBM II LP Partnership Agreement. The amount to be received in the CBM II LP Merger by the holders of the CBM II LP Units who have opted-out of the CBM II LP Class and elected not to participate in the CBM II LP Settlement will not include any amount with respect to any claims against the Defendants. The CBM II LP Merger shall be consummated and be effective on the CBM II LP Unit Acquisition Closing Date immediately following consummation

of the CBM II LP Unit Acquisition and thereafter the holders of CBM II LP Units who have not yet delivered a CBM II LP Proof of Claim and holders of CBM II LP Units who have opted-out of the CBM II LP Class and elected not to participate in the CBM II LP Settlement shall no longer hold any equity interest in CBM II LP.

3.9 CBM II LP Plaintiffs who elect not to participate ("Opt-Out CBM II LP Plaintiffs") will be informed in the CBM II LP Notice that in addition to the payment described in Paragraph 3.8(b)(D), they are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the CBM II LP Plaintiffs in the Milkes Litigation.

3.10 Notwithstanding any CBM II LP Plaintiff, Palm Intervenors, Equity Intervenors or Insiders failure to execute and deliver the CBM II LP Proof of Claim, upon the Judgment Order becoming Final, such CBM II LP Plaintiffs, Palm Intervenors, Equity Intervenors and Insiders will be deemed to have: (1) released the Released CBM II LP Claims against the Released Persons; and (2) assigned, transferred and conveyed to the Joint Venture or one or more of its designees, all CBM II LP Partnership Units, half-units and other fractional units in CBM II LP.

4. The Residence Inn I LP Settlement

4.1 As part of the Residence Inn I LP Settlement, and subject to the terms and conditions contained herein, Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all Residence Inn I LP unit holders, excluding, however, the Equity Intervenors who own units in Residence Inn I LP (the "Residence Inn I LP Class").

4.2 As part of the Residence Inn I LP Settlement, and subject to the terms and conditions contained herein, Rockledge and Marriott International or its designee, will pay or cause to be paid the Residence Inn I LP Settlement Amount.

4.3 As part of the Residence Inn I LP Settlement, and subject to the terms and conditions contained herein, the Residence Inn I LP Plaintiffs, the Palm Intervenors and the Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Residence Inn I LP Released Claims as of the Effective Date. The Residence Inn I LP Released Claims are described on Exhibit F attached hereto and incorporated herein by reference.

4.4 As part of the Residence Inn I LP Settlement, and subject to the terms and conditions contained herein, and before payment of any Residence Inn I LP Settlement Amount is made to any such person, each Residence Inn I LP Plaintiff and Equity Intervenor will execute and timely return the Residence Inn I LP Proof of Claim in the form and manner described therein.

4.5 As part of the Residence Inn I LP Settlement, and subject to the terms and conditions contained herein, Defendants will waive the right to receive payment in the future of $29,781,000.00 in deferred management fees presently owed to the manager pursuant to the terms of the Residence Inn I LP Management Agreement.

4.6 Defendants have the unilateral option, at their sole discretion prior to entry of the Judgment Order, to terminate the Residence Inn I LP Settlement, without cost or expense, other than notice costs relating to the Residence Inn I LP Settlement, if holders of more than ten percent (10%) of the 65,600 units outstanding in Residence Inn I LP opt-out of the Residence Inn I LP Settlement. If the Residence Inn I LP Settlement proceeds with fewer than one hundred

percent (100%) of the 65,600 units participating, the amount of the Residence Inn I LP Settlement Amount shall be reduced by $228.38 for every such non-participating unit.

4.7 Residence Inn I LP Plaintiffs who elect not to participate ("Opt-Out Residence Inn I Plaintiffs") will be informed in the proposed Residence Inn I LP Notice that they will receive no settlement payment but are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the Residence Inn I LP Plaintiffs in the Haas Litigation.

4.8 The Residence Inn I LP Settlement is also subject to Paragraph 10 hereof.

4.9 Notwithstanding the failure of any Residence Inn I LP Plaintiff, Palm Intervenors or Equity Intervenors to execute and deliver the Residence Inn I LP Proof of Claim, upon the Judgment Order becoming Final, such Residence Inn I LP Plaintiffs, Palm Intervenors and Equity Intervenors will be deemed to have released the Released Residence Inn I LP Claims against the Released Persons.

5. The Residence Inn II LP Settlement

5.1 As part of the Residence Inn II LP Settlement, and subject to the terms and conditions contained herein, Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all Residence Inn II LP unit holders, excluding, however, the Equity Intervenors who own units in Residence Inn II LP (the "Residence Inn II LP Class").

5.2 As part of the Residence Inn II LP Settlement, and subject to the terms and conditions contained herein, Rockledge and Marriott International or its designee, will pay or cause to be paid the Residence Inn I LP Settlement Amount.

5.3 As part of the Residence Inn II LP Settlement, and subject to the terms and

conditions contained herein, the Residence Inn II LP Plaintiffs, the Palm Intervenors and the Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Residence Inn II LP Released Claims as of the Effective Date. The Residence Inn II LP Released Claims are described on Exhibit G attached hereto and incorporated herein by reference.

5.4 As part of the Residence Inn II LP Settlement, and subject to the terms and conditions contained herein, and before payment of any Residence Inn II LP Settlement Amount is made to any such person, each Residence Inn II LP Plaintiff and Equity Intervenor will execute and return the Residence Inn II LP Proof of Claim in the form and manner described therein.

5.5 As part of the Residence Inn II LP Settlement, and subject to the terms and conditions contained herein, Defendants will waive the right to receive payment in the future of $22,693,000.00 in deferred management fees presently owed to the manager pursuant to the terms of the Residence Inn II LP Management Agreement.

5.6 Defendants have the unilateral option, at their sole discretion prior to the entry of the Judgment Order, to terminate the Residence Inn II LP Settlement, without cost or expense, other than notice costs relating to the Residence Inn II LP Settlement, if holders of more than ten percent (10%) of the 70,000 units outstanding in Residence Inn II LP opt-out of the Residence Inn II LP Settlement. If the Residence Inn II LP Settlement proceeds with fewer than one hundred percent (100%) of the 70,000 units participating, the amount of the Residence Inn II LP Settlement Amount shall be reduced by $228.38 for every such non-participating unit.

5.7 Residence Inn II LP Plaintiffs who elect not to participate ("Opt-Out Residence Inn II Plaintiffs") will be informed in the proposed Residence Inn II LP Notice that they will

receive no settlement payment but are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for Residence Inn II LP Plaintiffs in the Haas Litigation.

5.8 The Residence Inn II LP Settlement is also subject to Paragraph 10 herein.

5.9 Notwithstanding the failure of any Residence Inn II LP Plaintiff, Palm Intervenors or Equity Intervenors to execute and deliver the Residence Inn II LP Proof of Claim, upon the Judgment Order becoming Final, such Residence Inn II LP Plaintiffs, Palm Intervenors and Equity Intervenors will be deemed to have released the Released Residence Inn II LP Claims against the Released Persons.

6. The Fairfield Inn LP Settlement

6.1 As part of the Fairfield Inn LP Settlement, and subject to the terms and conditions contained herein, Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all Fairfield Inn LP unit holders, excluding, however, the Equity Intervenors who own units in Fairfield Inn LP (the "Fairfield Inn LP Class").

6.2 As part of the Fairfield Inn LP Settlement, and subject to the terms and conditions contained herein, Rockledge and Marriott International or its designee, will pay or cause to be paid the Fairfield Inn LP Settlement Amount.

6.3 As part of the Fairfield Inn LP Settlement, and subject to the terms and conditions contained herein, the Fairfield Inn LP Plaintiffs, the Palm Intervenors and Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Fairfield Inn LP Released Claims as of the Effective Date. The Fairfield Inn LP Released Claims are described on Exhibit E attached hereto and incorporated herein by reference.

6.4 As part of the Fairfield Inn LP Settlement, and subject to the terms and conditions contained herein, and before payment of any Fairfield Inn LP Settlement Amount is made to any such person, each Fairfield Inn LP Plaintiff and Equity Intervenor will execute and return the Fairfield Inn LP Proof of Claim in the form and manner described therein.

6.5 As part of the Fairfield Inn LP Settlement, and subject to the terms and conditions contained herein, Defendants will waive the right to receive payment in the future of $23,483,000.00 in deferred management fees presently owed to the manager pursuant to the terms of the Fairfield Inn LP Management Agreement.

6.6 Defendants have the unilateral option, at their sole discretion prior to entry of the Judgment Order, to terminate the Fairfield Inn LP Settlement, without cost or expense, other than notice costs relating to the Fairfield Inn LP Settlement, if holders of more than ten percent (10%) of the 83,337 units outstanding in Fairfield Inn LP opt-out of the Fairfield Inn LP Settlement. If the Fairfield Inn LP Settlement proceeds with fewer than one hundred percent (100%) of the 83,337 units participating, the amount of the Fairfield Inn LP Settlement Amount shall be reduced by $228.38 for every such non-participating unit.

6.7 Fairfield Inn LP Plaintiffs who elect not to participate ("Opt-Out Fairfield Inn LP Plaintiffs") will be informed in the proposed Fairfield Inn LP Notice that they will receive no settlement payment but are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the Fairfield Inn LP Plaintiffs in the Haas Litigation.

6.8 The Fairfield Inn LP Settlement is subject to Paragraph 10 herein.

6.9 Notwithstanding the failure of any Fairfield Inn LP Plaintiff, Palm Intervenors or Equity Intervenors to execute and deliver the Fairfield Inn LP Proof of Claim, upon the

Judgment Order becoming Final, such Fairfield Inn LP Plaintiffs, Palm Intervenors and Equity Intervenors will be deemed to have released the Released Fairfield Inn LP Claims against the Released Persons.

7. The Desert Springs LP Settlement

7.1 As part of the Desert Springs LP Settlement, and subject to the terms and conditions contained herein, Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all former Desert Springs LP unit holders in two sub-classes: (1) the former holders of the 206 units in Desert Springs LP who have individually appeared in the Haas Litigation; and (2) all other former Desert Springs LP Unit holders, excluding the Equity Intervenors who formerly owned units in Desert Springs LP (collectively the "Desert Springs LP Class").

7.2 As part of the Desert Springs LP Settlement, and subject to the terms and conditions contained herein, Host Marriott and Marriott International or its designee will pay or cause to be paid the Desert Springs LP Settlement Amount.

7.3 As part of the Desert Springs LP Settlement, and subject to the terms and conditions contained herein, the Desert Springs LP Plaintiffs, the Palm Intervenors and the Equity Intervenors will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons from the Desert Springs LP Released Claims as of the Effective Date. The Desert Springs LP Released Claims are described on Exhibit D attached hereto and incorporated herein by reference.

7.4 As part of the Desert Springs LP Settlement, and subject to the terms and conditions contained herein, and before payment of any Desert Springs LP Settlement Amount is made to any such person, each Desert Springs LP Plaintiff and Equity Intervenor will execute

and return the Desert Spring LP Proof of Claim in the form and manner described therein.

7.5 Defendants have the unilateral option, at their sole discretion prior to entry of the Judgment Order, to terminate the Desert Springs LP Settlement, without cost or expense, other than notice costs relating to the Desert Springs LP Settlement, if the holders of more than ten percent (10%) of the 900 former units outstanding in Desert Springs LP opt-out of the Desert Springs LP Settlement. If the Desert Springs LP Settlement proceeds with fewer than one hundred percent (100%) of the holders of the 900 former units participating, the amount of the Desert Springs LP Settlement Amount shall be reduced by the amount set forth in Paragraph 1.41 for every such non-participating unit.

7.6 Desert Springs LP Plaintiffs who elect not to participate in the Desert Springs LP Class ("Opt-Out Desert Springs LP Plaintiffs") will be informed in the proposed Desert Springs LP Notice that they will receive no settlement payment but are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the Desert Springs LP Plaintiffs in the Haas Litigation.

7.7 The Desert Springs LP Settlement is subject to Paragraph 10 herein.

7.8 Notwithstanding the failure of any Desert Springs LP Plaintiff, Palm Intervenors or Equity Intervenors to execute and deliver the Desert Springs LP Proof of Claim, upon the Judgment Order becoming Final, such Desert Springs LP Plaintiffs, Palm Intervenors and Equity Intervenors will be deemed to have released the Released Desert Springs LP Claims against the Released Persons.

8. The Atlanta Marquis LP Settlement

8.1 As part of this Settlement, Plaintiffs' Counsel and Equity's Counsel will dismiss without prejudice any and all claims in the Haas Litigation relating to Atlanta Marquis LP and inform the Atlanta Marquis Plaintiffs that (i) they are dismissing all claims relating to Atlanta Marquis LP; and (ii) they will be class members in the Sturm Litigation with respect to the Atlanta Marquis LP Settlement.

8.2 As part of the Atlanta Marquis LP Settlement, Atlanta Marquis LP's Counsel, with the advice and consent of Defendants' Counsel, will move for and be granted certification of a settlement class consisting of all parties in the Sturm Litigation who formerly owned units in Atlanta Marquis LP and all other former Atlanta Marquis LP unit holders (the "Atlanta Marquis LP Class"), excluding, however, Equity Intervenors who owned units in Atlanta Marquis LP.

8.3 As part of the Atlanta Marquis LP Settlement, Host Marriott and Marriott International or its designee, will pay or cause to be paid the Atlanta Marquis LP Settlement Amount.

8.4 As part of the Atlanta Marquis LP Settlement, the Sturm Plaintiffs will RELEASE, ACQUIT and FOREVER DISCHARGE the Released Persons.

8.5 As part of the Atlanta Marquis LP Settlement, and before payment of any Atlanta Marquis LP Settlement Amount is made to any such person, each Sturm Plaintiff will execute and return the Atlanta Marquis LP Proof of Claim in the form and manner described therein.

8.6 Defendants have the unilateral option, at their sole discretion prior to entry of the Judgment Order to terminate the Atlanta Marquis LP Settlement, without cost or expense, other than notice costs relating to the Atlanta Marquis LP Settlement, if holders of more than ten

percent (10%) of the former 530 unit holders in Atlanta Marquis LP opt-out of the Atlanta Marquis LP Settlement. If the Atlanta Marquis LP Settlement proceeds with fewer than one hundred percent (100%) of the 530 units participating, the amount of the Atlanta Marquis LP Settlement Amount shall be reduced by $8,018.86 for every such non-participating unit.

8.7 Sturm Plaintiffs who elect not to participate ("Opt-Out Atlanta Marquis LP Plaintiffs") will be informed in the Atlanta Marquis LP Notice that they will receive no settlement payment but are free to pursue individual claims against the Defendants by hiring independent counsel, which will not include any counsel who have appeared for the Atlanta Marquis LP Plaintiffs or the Sturm Plaintiffs.

9. The SLC

9.1 The SLC agrees that the terms of the CBM II LP Settlement (including, without limitation, the terms and conditions of the CBM II LP Unit Acquisition and the CBM II LP Merger) are fair and reasonable and include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of CBM II LP in the Milkes Litigation. If holders of ten percent (10%) or less of the CBM II LP Units opt-out of the CBM II LP Settlement, or, at Defendants' sole option, if holders of more than ten percent (10%) opt-out and Defendants waive, in writing, the condition set forth in Paragraph 10.2(a) as to CBM II LP, the SLC agrees to release, on behalf of CBM II LP and in favor of all Defendants, any and all such derivative claims.

9.2 The CBM II LP Notice shall state that if holders of ten percent (10%) or less of the CBM II LP Units opt-out of the CBM II LP Settlement, or, at Defendants' sole option, if holders of more than ten percent (10%) of the CBM II LP Units opt-out and Defendants waive, in writing, the condition set forth in Paragraph 10.2(a) as to CBM II LP, the SLC agrees to

release upon the Effective Date, on behalf of CBM II LP and in favor of all Defendants, any and all such derivative claims.

9.3 Based on the information received by the SLC to date, the terms of the CBM I LP Settlement (including, without limitation, the terms and conditions of the CBM I LP Unit Acquisition and the CBM I LP Merger) appear to the SLC to be fair and reasonable and to include a fair and reasonable settlement of any and all derivative claims, expressed or implied, made on behalf of CBM I LP in the Haas Litigation. It further appears to the SLC to be fair and reasonable to release, and subject to the SLC's due diligence review, the SLC shall release, on behalf of CBM I LP, in favor of all Defendants, any such derivative claims if ten percent (10%) or less of the CBM I LP Units opt-out of the CBM I LP Settlement, or, at Defendants' sole option, if more than ten percent (10%) opt-out and Defendants waive, in writing, the condition set forth in Paragraph 10.2(a) as to CBM I LP.

9.4 Subject to the SLC's due diligence review, which shall be concluded before the CBM I LP Notice is provided to the Court, the CBM I LP Notice shall state that if holders of ten percent (10%) or less of the CBM I LP Units opt-out of the CBM I LP Settlement, or, at Defendants' sole option, if holders of more than ten percent (10%) of the CBM I LP Units opt-out and Defendants waive, in writing, the condition set forth in Paragraph10.2(a) as to CBM I LP, the SLC agrees to release upon the Effective Date, on behalf of CBM I LP and in favor of all Defendants, any and all such derivative claims.

9.5 The fees and expenses of the SLC, the SLC's Counsel and any experts retained by the SLC shall be paid by the Defendants or their designees.

10. Conditions to the Effectiveness of the Settlement

10.1 Conditions Prior to Notice. Defendants' obligation to proceed with this

Settlement Agreement and consummate the transactions contemplated in connection therewith is subject to the condition precedent that any and all necessary consents from third parties shall have been obtained and remain in full force and effect; provided that Host Marriott, Rockledge and Marriott International shall have the right, in their sole and absolute discretion, to waive any such condition, in writing, as to any or all of such consents, which may include the following:

(a) If required, the lenders under the Amended and Restated Credit Agreement dated as of August 5, 1998 (as amended to the date hereof) under which Host Marriott is the borrower;

(b) If required, the lender under the Loan Agreement dated as of March 21, 1997 (as amended to the date hereof), under which CBM I LP is the borrower (and any Rating Comfort Letter (as defined therein) required in connection with the Settlement shall have obtained);

(c) If required, the holders of a majority of the outstanding principal amount of Senior Secured Notes due 2008 issued by CBM II LP;

(d) If required, any ground lessor (other than Marriott International or any affiliate thereof) with respect to any hotel owned by either of CBM I LP or Courtyard II Associates; and

(e) If required, Hospitality Properties Trust (or its successors or assigns) shall have waived its right to purchase any partnership interest in CBM I LP or CBM II LP pursuant to that certain Purchase-Sale and Option Agreement by and among HMH Courtyard Properties, Inc., HMH Properties, Inc., and Hospitality Properties, Inc., dated as of February 3, 1995, as amended to the date hereof.

(f) If required, permission by the Securities and Exchange Commission ("SEC") to mail the definitive Purchase Offer/Consent Solicitation Statement to the holders of CBM I LP Units and CBM II LP Units or the SEC staff shall have decided not to review the Purchase Offer/Consent Solicitation Statements.

Following execution of this Settlement Agreement, Defendants will use reasonable

efforts to obtain such consents/permission within sixty (60) days, and notify Plaintiffs' Counsel, Equity's Counsel and Palm's Counsel in writing when such consents have been obtained. If Defendants determine in their sole discretion that such consents/permission cannot be obtained, unless Defendants elect in their sole discretion to waive the requirement of obtaining such consent/permission in writing, Defendants shall notify Plaintiffs' Counsel, Palm's Counsel and Equity's Counsel in writing, at which time this Settlement Agreement and the Settlement shall be null and void and without cost or expense (including Interest expense) to any party, and without further action, the Defendants, the Joint Venture and Rockledge shall be relieved of any obligations under this Settlement Agreement. If Defendants Counsel has not, within 120 days of the execution of this Settlement Agreement, notified Plaintiffs' Counsel, Palm's Counsel and Equity's Counsel that (i) such consents/permission have been obtained; (ii) such consents/permission have been waived; or (iii) such consents/permission cannot be obtained, then Plaintiffs' Counsel has the option to notify Defendants' Counsel in writing that the Settlement shall be null and void without cost or expense (including Interest expense) to any party, and Palm's Counsel and/or Equity's Counsel has the option to notify Defendants' Counsel in writing that the Palm Intervenors and/or the Equity Intervenors (as the case may be) withdraw from the Settlement without cost or expense (including Interest expense) to any party; provided that such notice from Plaintiffs' Counsel, Palm's Counsel and/or Equity's Counsel is sent prior to notice being sent by Defendants' Counsel that the consents/permission have been obtained or waived.

10.2 Conditions Following Notice. Assuming all conditions in Paragraph 10.1 have been satisfied or waived, and following the approval by the Court of certification of the CBM I

LP Class, the Residence Inn I LP Class, the Residence Inn II LP Class, the Fairfield Inn LP Class, and the Desert Springs LP Class, and the sending to the Plaintiffs of the appropriate Notices, Defendants shall be obligated to proceed with this Settlement only if each of the following events shall have occurred and remain in effect within the time set for all Plaintiffs, the Palm Intervenors and Equity Intervenors to return the Consent Forms and/or Proof of Claims or opt-out of the Settlements:

(a) Holders of ten percent (10%) or less of the units held by limited partners (other than Insiders) in CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP, Desert Springs LP and Atlanta Marquis LP shall have elected not to participate in ("opted-out" of) the Settlement;

(b) Limited partners holding a majority of the CBM I LP Units (excluding CBM I LP Units held by Insiders) shall have submitted valid written CBM I LP Consent Forms voting in favor of the CBM I LP Merger and the Proposed CBM I LP Partnership Agreement Amendments; and

(c) Limited partners holding a majority of the CBM II LP Units (excluding the CBM II LP Units held by Insiders) shall have submitted valid written CBM II LP Consent Forms voting in favor of the CBM II LP Merger and the Proposed CBM II LP Partnership Agreement Amendments.

If any of the above conditions are not satisfied, unless Host Marriott, Rockledge and Marriott International elect, in writing, in their sole and absolute discretion, to waive any such condition and proceed with all, or any one or more, or any combination of the CBM I LP Settlement, CBM II LP Settlement, Residence Inn I LP Settlement, Residence Inn II LP Settlement, Desert Springs LP Settlement and Atlanta Marquis LP Settlement, solely at the option of Host Marriott, Rockledge and Marriott International, set forth in writing, this Settlement Agreement and the Settlement as to all or any such Partnerships shall be null and void and without cost or expense to any party (including Interest expense) (and except for the Notice

costs, as set forth elsewhere herein), and without further action, the Defendants, the Joint Venture and Rockledge shall be relieved of any obligations under this Settlement Agreement.

10.3 Plaintiffs' Counsel has substantially completed its due diligence regarding the Settlement subject to receipt within fourteen (14) days of the remaining documents previously requested from Defendants.

11. Payment of the Settlement Fund

11.1 On or before the third business day following the entry by the Court of the executed Judgment Order, the Joint Venture, Rockledge, Host Marriott and Marriott International, or one or more of their designees, shall pay or cause to be paid by wire transfer the Settlement Fund to the Escrow Agent, which will be deposited by the Escrow Agent in an interest-bearing account pursuant to the Escrow Agreement in substantially the form attached as Exhibit H. In the event that the Judgment Order does not become Final because an appeal or other review of the Judgment Order has been filed, the Escrow Agent will return the Settlement Fund, with interest, to the Joint Venture, Rockledge, Host Marriott and Marriott International, in amounts as jointly instructed by these four entities, by wire transfer, within two (2) business days after the date the Escrow Agent receives documentation of such event. The Joint Venture, Rockledge, Host Marriott and Marriott International or one or more of their designees, will pay or cause to be paid by wire transfer the Settlement Fund back to the Escrow Agent within three (3) business days after the order or judgment by the appellate court affirming the Judgment Order becomes Final.

11.2 In the event that the Settlement Fund is returned to the Joint Venture, Rockledge,

Host Marriott Corporation and Marriott International pursuant to Paragraph 11.1 above, the Defendants agree to accrue Interest on the Fairfield Inn LP Settlement Amount, Residence Inn I LP Settlement Amount, Residence Inn II LP Settlement Amount and Desert Springs LP Settlement Amount until such time as the Settlement Fund, with such accrued Interest (including Interest earned on that portion of the Settlement Fund relating to such Settlement Amounts pursuant to Paragraph 11.1 above), is paid back to the Escrow Agent pursuant to Paragraph 11.1 above.

11.3 The Escrow Agent shall not be authorized to distribute any amount from the Settlement Fund to any Plaintiff, Palm Intervenor, Equity Intervenor, Insider, or Plaintiffs' Counsel until after the Effective Date, and in accordance with the Plan of Allocation and the Court's order with respect to the payment of Plaintiffs' Counsel's Attorneys' Fees and reimbursement of expenses.

11.4 The Escrow Agent will not distribute any amount from the Settlement Fund to any Plaintiff, Palm Intervenor, Equity Intervenor or Insider unless and until a fully executed Proof of Claim is received by the Claims Administrator and provided to Defendants' Counsel and Plaintiffs' Counsel.

11.5 If the Settlement does not become effective, all such Interest shall inure to the benefit of the Joint Venture, Rockledge, Host Marriott and Marriott International and shall be returned to the Joint Venture, Rockledge, Host Marriott and Marriott International in such proportions as they shall agree among themselves and in accordance with the provisions of Paragraph 11.1, less any amounts necessary to pay the fees and expenses of the Escrow Agent and the Claims Administrator.

11.6 The Escrow Agent shall not use or disburse any funds from the Settlement Fund

except as provided for in this Settlement Agreement, the Escrow Agreement, as permitted by Order of the Court or with the written consent of the Parties.

11.7 In addition to the other terms and conditions contained herein, the receipt by any Plaintiff, Palm Intervenor, Equity Intervenor or Insider of any payment from the Settlement Fund or the execution, negotiation or deposit of any check transferring or paying any amount from the Settlement Fund shall constitute: (1) a full and final release of the Released Claims; and (2) an assignment, conveyance and transfer of all CBM I LP and CBM II LP Units, half-units and other fractional units owned by that person or its designees.

11.8 The Settlement Fund shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as the Settlement Fund shall be distributed pursuant to this Settlement Agreement and/or further Order(s) of the Court.

11.9 In the event that this Settlement Agreement is not approved, is terminated, canceled, or fails to become effective for any reason, then none of the Joint Venture, Rockledge, Host Marriott and Marriott International shall be under any obligation to pay the Settlement Fund. In the event that the Judgment Order does not become Final, or is reversed, or substantially modified on appeal, then none of the Joint Venture, Rockledge, Host Marriott and Marriott International shall be under any obligation to repay to the Escrow Agent the Settlement Fund and this Settlement Agreement shall be terminated with the Joint Venture, Rockledge, Host Marriott and Marriott International having no obligation to pay the Settlement Fund.

12. Distribution of the Settlement Amounts and Settlement Documents

12.1 The Escrow Agent, subject to the supervision, direction and approval of the Court, and subject to all the terms and conditions contained herein, shall administer and oversee

the distribution of the Settlement Fund to the Plaintiffs, Palm Intervenors, Equity Intervenors, Insiders, and Plaintiffs' Counsel, pursuant to this Settlement Agreement, the Escrow Agreement and the Plan of Allocation approved by the Court.

12.2 Payment of the Settlement Fund in the manner provided in the Plan of Allocation shall be deemed conclusive against any claim by any person or entity receiving such payment.

12.3 Seven (7) days after the Effective Date, the Escrow Agent will be authorized to distribute from the Settlement Fund to Plaintiffs' Counsel Plaintiffs' Counsel's Attorneys' Fees.

12.4 Seven (7) days after the Effective Date, the Escrow Agent will be authorized to distribute from the Settlement Fund to the Palm Intervenors, Equity Intervenors and Insiders who have executed and timely returned their Proof of Claims to the Claims Administrator before the Effective Date, their pro-rata portion of the CBM I LP Settlement Amount, CBM II LP Settlement Amount, Residence Inn I LP Settlement Amount, Residence Inn II LP Settlement Amount, Fairfield Inn LP Settlement Amount, and/or Desert Springs LP Settlement Amount, as the case may be, with no proportionate reduction for Plaintiffs' Counsels' Attorneys' Fees.

12.5 For any Plaintiff who has submitted a valid Proof of Claim to the Claims Administrator on or before the Effective Date, within seven (7) business days following the Effective Date, the Escrow Agent shall distribute to that person or entity their pro-rata portion of the Net Settlement Fund as set forth in the Plan of Allocation. For any Plaintiff, Palm Intervenor, Equity Intervenor or Insider who submits a valid Proof of Claim after the Effective Date, within seven (7) business days following the receipt of the Proof of Claim by the Claims Administrator, the Escrow Agent shall distribute to that person or entity their Net Settlement Amount; provided that for any Plaintiff who has not returned a Proof of Claim to the Claims Administrator within ninety (90) days following the Effective Date, Plaintiffs' Counsel, as the

case may be, may execute a Proof of Claim on behalf of that Plaintiff and distribute to that Plaintiff that Plaintiff's pro-rata portion of the Net Settlement Fund as set forth in the Plan of Allocation and the Judgment Order.

12.6 Completed and executed Proof of Claims, the CBM I LP Consent Forms and the CBM II LP Consent Forms (collectively "Settlement Documents") shall be sent to the Claims Administrator. Until the Effective Date, the Claims Administrator shall hold all Settlement Documents and not distribute such documents to Defendants; provided, however, that the Claims Administrator shall give at least weekly (and otherwise, upon request) accountings of the status of same to all counsel for the Settling Parties and will advise all counsel, in writing, with sufficient back-up proof, including copies of the Consent Forms and Proof of Claims, when the conditions set forth in Paragraph 10 of the Settlement Agreement have been satisfied with respect to CBM I LP and CBM II LP. On the day following the Effective Date, the Claims Administrator shall release to the Defendants the Settlement Documents it has received to date. After the Effective Date, the Claims Administrator shall, every two (2) days, release to the Defendants all Settlement Documents it receives.

12.7 The Defendants and Defendants' Counsel shall have no responsibility for or liability whatsoever with respect to the investment or distribution of the Settlement Fund, the determination, administration, calculation or payment of claims, or any losses incurred in connection therewith, or with the formulation or implementation of the Plan of Allocation, or the giving of any notice with respect to same.

12.8 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Settlement Fund including, but not limited to, any adjustments to be set forth therein, is not a part of this Settlement Agreement, and may be considered by the Court

separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Settlement Agreement, and any order or proceedings relating to the Plan of Allocation or any appeal from any order relating thereto or any reversal or modification thereof shall not operate to terminate or cancel this Settlement Agreement or affect or delay the finality of the Judgment Order and the Settlement of the Milkes and Haas Litigations as set forth herein.

12.9 Each Plaintiff, Palm Intervenor, Equity Intervenor and Insider shall be deemed to have submitted to the jurisdiction of the Court with respect to all matters relating to the allocation of the Settlement Fund and/or any such person's interest therein.

12.10 All proceedings with respect to the Settlement described by this Settlement Agreement and the determination of all controversies relating thereto, including disputed questions of law and all such fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

12.11 Payment of the fees and expenses of the Escrow Agent and Claims Administrator shall be made (i) first, out of any interest accrued on the Settlement Fund during the time the Settlement Fund is in escrow, and (ii) to the extent such accrued interest is insufficient to cover such fees and expenses, by Defendants.

12.12 Any disputes concerning the identity of the proper Person(s) to receive any or all of a Plaintiffs' Net Settlement Amount, if not otherwise resolved, will be finally determined by the Court. In the event of such a dispute, the Escrow Agent will retain the Net Settlement Amount relating to such Person(s) in the Settlement Fund until it receives a written order of the Court.

13. Agreement to Reduce Attorneys' Fees.

13.1 In exchange for the waiver of deferred fees identified in Paragraphs 4.5, 5.5 and 6.5, Plaintiffs' Counsel hereby agrees to reduce their attorneys' fees by $4.25 million from the amount of attorneys' fees ultimately awarded by the Court. The amount to be contributed to the Settlement Fund to pay the attorneys' fees awarded to Plaintiffs' Counsel shall be reduced accordingly. Anything to the contrary notwithstanding, however, such reduction shall not reduce the amounts to be contributed to or distributed from the Settlement Fund for and on behalf of the Plaintiffs. The Settling Parties and Plaintiffs' Counsel hereby agree that for all purposes, including, without limitation, federal and state income tax purposes, the $4.25 million shall not be treated as having been paid.

14. Hearing Order, Notice And Settlement Hearing

14.1 Promptly after execution of this Settlement Agreement, after all necessary consents prior to Notice (as set forth in Paragraph 10.1) have been obtained, and after the SLC has completed its due diligence review, Plaintiffs' Counsel shall move for certification of a settlement class of the limited partners (other than Defendants) in CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP, Fairfield Inn LP and Desert Springs LP, as set forth herein.

14.2 Plaintiffs' Counsel, with the advice and consent of Defendants' Counsel, shall prepare the Notices and the Plan of Allocation. Defendants' Counsel, with the advice and consent of Plaintiffs' Counsel, shall prepare the Hearing Order, Consent Solicitations, Consent Forms and Proof of Claims. Thereafter, Plaintiffs' Counsel shall submit to the Court a motion for authorization to disseminate the Notice, Proof of Claim, Consent Solicitations and Consent Forms as appropriate. The Motion shall include (i) a proposed form of, method for, and date of dissemination of the Notices, Proof of Claims, Consent Solicitations and Consent Forms; (ii) a proposed date for the return of the Proof of Claim and Consent Form; and (iii) a proposed hearing date.

14.3 Defendants will pay the costs of sending the Notice to the CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP, Fairfield Inn LP and Desert Springs LP Class Members and to the Palm Intervenors and Equity Intervenors.

15. Plaintiffs' Counsels' Fees And Reimbursement of Litigation Costs and Expenses

15.1 Plaintiffs' Counsel intend to submit an application or applications (the "Fee and Expense Application") to the Court for an award from the Settlement Fund. The amount of attorneys' fees and litigation costs and expenses awarded by the Court to Plaintiffs' Counsel shall be in the sole discretion of the Court.

15.2 Plaintiffs' Counsel agree that they will seek fees, reimbursement of all litigation costs and expenses, and any other costs and expenses solely from the Settlement Fund and not from Defendants. In no event will Defendants be obligated or required to pay any amount in excess of the Settlement Fund, except as provided herein

15.3 The procedure for and the allowance or disallowance by the Court of any Fee and

Expense Applications by Plaintiffs' Counsel are not part of the Settlement set forth in this Settlement Agreement, and may be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Settlement Agreement, and any order or proceeding relating to Plaintiffs' Counsels' application(s) for the award of attorneys' fees and reimbursement of litigation costs and expenses, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Settlement Agreement, or affect or delay the finality of the Judgment Order and the Settlement of the Milkes and Haas Litigations as set forth herein.

16. Continued Interest in the CBM I and CBM II Partnerships

16.1 Prior to the Judgment Order becoming Final, all Plaintiffs, Palm Intervenors, Equity Intervenors and Insiders shall continue to own their interest in CBM I LP and CBM II LP. Prior to entry of the Judgment Order, the General Partner of CBM I LP and CBM II LP shall make such distributions of Cash Available for Distribution as defined and provided for in the CBM I LP and CBM II LP Partnership Agreements, for the period prior to the Judgment Order; it being understood and agreed that there may be a delay in such distribution to the extent the Judgment Order is entered in the middle of an accounting period or the General Partner is otherwise unable to finally determine the amount of the distribution. In such case, the General Partner shall provide to the Court an estimate as to the amount of the distribution anticipated for the period prior to the Judgement Order at the time of the Fairness Hearing to approve the Settlement. The appropriateness of the determination of the Cash Available for Distribution in CBM I LP and CBM II LP for the period from execution of this Settlement Agreement to the entry of the Judgment Order shall be considered by the Court as part of the approval of the Settlement, and any claims relating to such distributions shall be covered by the Released Claims.

16.2 Following entry of a Judgment Order, and until the Judgment Order becomes Final, assuming there is no appeal, the benefits of ownership of the Units shall inure to the benefit of the Joint Venture and the Defendants, and no further Cash Available for Distribution shall be distributed by the General Partners of CBM I LP or CBM II LP to the Plaintiffs or Palm Intervenors or Equity Intervenors, and Plaintiffs and the Palm Intervenors and Equity Intervenors waive any claim for such distributions.

16.3 Following the entry of the Judgment Order, and in the event of an appeal, the

owners of CBM I LP Units and owners of CBM II LP Units (collectively, the "Units") will remain owners, and retain all benefits of the ownership of the Units (including, but not limited to any distributions) until the Judgment Order becomes Final; and (ii) the General Partners of CBM I LP and CBM II LP shall make such distributions of Cash Available for Distribution as provided for and defined in the CBM I LP and CBM II LP partnership agreements, to the owners of the Units, for the period from the entry of the Judgment Order and ending when the Judgment Order becomes Final, it being understood and agreed that such period will constitute a fiscal period for purposes of determining Cash Available for Distribution as provided for, defined in and has been customary pursuant to the CBM I LP and CBM II LP partnership agreements; and it being further understood and agreed that there may be a delay in such distribution to the extent the Judgment Order becomes Final in the middle of an accounting period or the General Partner is otherwise unable to finally determine the amount of the distribution prior to the Judgment Order becoming Final.

17. Interest Prior to Notice

17.1 If Defendants have not obtained the consents/permission required by Paragraph 10.1 of this Settlement Agreement within sixty (60) days of the execution of this Settlement Agreement, Defendants shall pay from the sixty-first day forward, Interest on the Settlement Fund. Interest under this provision shall cease to run as of the date Defendants' Counsel notifies Plaintiffs' Counsel, Equity's Counsel and Palm's Counsel in writing that the required consents/permission have been obtained, or the condition has been waived by Defendants. Assuming that consents/permission required by Paragraph 10.1 have been obtained or waived at some time after the sixty-first day, and that the Judgment Order is thereafter entered, Defendants will cause to be deposited pursuant to the provisions of Paragraph 11.1 of this Settlement

Agreement, the Settlement Fund, plus the Interest accumulated pursuant to this Paragraph. If the Settlement with respect to any Partnership is not consummated as a result of a failure of any of the conditions set forth in Paragraph 10, Defendants shall have no obligations under this Paragraph 17.1 with respect to such Partnerships.

18. Binding Nature of This Settlement Agreement

18.1 This Settlement Agreement, and each and every term and obligation hereunder, shall not be subject to limitation, impairment, modification, or termination for any reason (except as expressly set forth herein), including, without limitation, the following:

(a) Any judicial, legislative or other governmental action, decision or announcement of any type, including but not limited to the tax laws, regulations, rules or opinions, which allegedly relates to any of the terms of this Settlement or to any issue, claim, allegation or defense which has been or might have been asserted in the Milkes and/or Haas Litigations;

(b) Any change, whether adverse or positive, in the financial condition, assets, liabilities, business, or any other corporate or personal activity of any of the Settling Parties; or

(c) Any allegedly newly discovered facts, legal issues, events or allegations of any type which allegedly relate to any of the terms of this Settlement or to any Released Claims.

18.2 Except as otherwise provided herein, in the event the Settlement is terminated, modified in any material respect, or fails to become effective for any reason, then the Parties to this Settlement Agreement shall be deemed to have reverted to their respective status in the Milkes Litigation and Haas Litigation as of the date and time immediately prior to the execution of this Settlement Agreement and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Settlement Agreement, the Settlement Documents and any related orders had not been entered.

19. Miscellaneous Provisions

19.1 The signatories to this Settlement Agreement certify that they are authorized to enter into and sign this Settlement Agreement.

19.2 The Settling Parties agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Settlement Agreement and to exercise their best efforts promptly to accomplish the foregoing terms and conditions of this Settlement Agreement.

19.3 Plaintiffs' Counsel and the SLC's Counsel agree, and shall represent to the Court, that the Settlement provided herein is fair, reasonable and adequate, and that it is in the best interests of the Plaintiffs to enter into this Settlement Agreement in full and final Settlement of the Milkes and Haas Litigations and the release of all Released Claims.

19.4 This Settlement Agreement, the Settlement and any Court Orders provided herein, whether or not consummated, and any act performed or document executed pursuant to or in furtherance of this Settlement Agreement or the Settlement and any negotiations or proceedings relating thereto, shall not be: (i) deemed or construed to be or used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of any Released Person or any other person; (ii) deemed or construed to be or used as an admission of, or evidence of, any fault or omission of any of the Released Persons or of any other person in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; or (iii) deemed or construed or used to evidence any presumption, concession or admission by, or to establish liability of, any Released Person. Nothing herein, however, shall prevent any of the Released Persons from filing or otherwise using this Settlement Agreement, the Final Judgment Order or related documents in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral

estoppel, release, judgment, bar, reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Defendants have denied and continue to deny each and all of the claims alleged in the Milkes and Haas Litigation.

19.5 Plaintiffs' Counsel agree that any agreements made during the course of the Milkes and Haas Litigations relating to the confidentiality of information and requirements for return or destruction of documents shall survive this Settlement Agreement.

19.6 All of the Exhibits to this Settlement Agreement are material and integral parts hereof and are fully incorporated herein.

19.7 This Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their successors-in-interest, and approved by the Court.

19.8 This Settlement Agreement and the Exhibits attached hereto constitute the entire agreement between and among the Settling Parties with respect to the Settlement of the Milkes and Haas Litigations and the other matters contained herein, and no representations, warranties or inducements have been made to any party concerning this Settlement Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, as between the Plaintiffs, Palm Intervenors, Equity Intervenors and Defendants, each party shall bear its own costs.

19.9 This Settlement Agreement may be executed in one or more counterparts and by facsimile signatures. For each such document, all executed counterparts and each of them shall be deemed to be one and the same instrument. Plaintiffs' Counsel, Palm's Counsel, Equity's Counsel and Defendants' Counsel shall exchange among themselves original signed counterparts and a complete set of original executed counterparts of this Settlement Agreement shall be filed

with the Court.

19.10 This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Plaintiffs, Palm Intervenors, Equity Intervenors, Defendants, the Joint Venture and Rockledge.

19.11 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Settlement Agreement, and the Plaintiffs, Palm Intervenors, Equity Intervenors, Defendants, the Joint Venture and Rockledge submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Settlement Agreement.

19.12 This Settlement Agreement shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Texas, and the rights and obligations of the Settling Parties shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Texas without giving effect to that State's choice of law principles. Venue of any disputes arising out of or by virtue of this Stipulation shall be in the 285th Judicial District Court of Bexar County, Texas.

19.13 The Settling Parties agree that no single party shall be deemed to have drafted this Settlement Agreement or any portion thereof and that these documents are the collaborative effort of all the Plaintiffs' Counsel, Palm's Counsel, Equity's Counsel and the Defendants' Counsel.

19.14 The waiver by any party of any breach by any other party of any term of this Settlement Agreement shall not be deemed or construed as a waiver with respect to any other party, or of any other breach, whether prior to, subsequent to or contemporaneous with this Settlement Agreement.

19.15 This Settlement Agreement shall be deemed to have been executed upon the last date of execution by the undersigned.

19.16 Plaintiffs' Counsel shall be solely responsible for filing all informational and other tax returns necessary to report any net taxable income earned by the Settlement Fund and shall file all informational and other tax returns necessary to report any income earned by the Settlement Fund and shall be solely responsible for taking out of the Settlement Fund, as and when legally required, any tax payments, including interest and penalties due on income earned by the Settlement Fund. All taxes (including any interest and penalties) due with respect to the income earned by the Settlement Fund shall be paid from the Settlement Fund. Defendants shall have no responsibility to make any filings relating to the Settlement Fund and will have no responsibility to pay tax on income earned by the Settlement Fund or pay any taxes on the Settlement Fund, unless the Settlement is not consummated and the Settlement Fund is returned. In the event the Settlement is not consummated, the Defendants shall be responsible for the payment of all taxes (including any interest or penalties) on said income.

19.17 Counsel for all the Settling Parties will jointly move to have the Haas Litigation designated as a complex case and transferred to the Honorable Michael Peden, Judge of the 285th Judicial District Court of Bexar County, Texas.

19.18 In entering this Settlement Agreement, the Plaintiffs, the Palm Intervenors and Equity Intervenors, by and through their counsel of record in the Milkes and Haas Litigations, expressly acknowledge, represent, warrant, covenant and agree that in entering into this Settlement Agreement, they are relying solely on their own independent analysis, beliefs and judgment concerning the value of CBM I LP and CBM II LP, and the value of the Released

Claims in CBM I LP, CBM II LP, Residence Inn I LP, Residence Inn II LP, Fairfield Inn LP and Desert Springs LP , and expressly waive, disclaim, abandon and relinquish any reliance (actual, perceived or otherwise) on any Defendant in electing to consummate the transactions made the subject of this Settlement Agreement, other than as expressly contained herein.

19.19 Any notice, demand or request which may be permitted, required or desired to be given in connection herewith shall be in writing and directed to the other parties and their counsel by certified mail, return receipt requested, postage prepaid, or by telecopy or by personal delivery at the last known business addresses of counsel for each party to this Settlement Agreement. In the event such notice or other communication is effected by personal delivery, or by telecopy, the date and hour of actual delivery shall fix the time of notice. In the event of delivery of notice by certified United States mail, the notice shall be effective three (3) business days after the date upon which the sealed envelope containing the notice is deposited in the United States mail, properly addressed and with postage prepaid.

19.20 In the event that any suit arising out of this Settlement Agreement is brought by any party to this Settlement Agreement, the prevailing party or parties shall be entitled to recover their reasonable attorneys' fees and expenses incurred as a result of such suit.

19.21 Marriott International and Host Marriott hereby jointly and severally, unconditionally and irrevocably guarantee the full and timely performance by the Joint Venture and Rockledge of their obligations hereunder.

19.22 The headings of any section are formal and not substantive.

AGREED TO THIS 9TH DAY OF MARCH, 2000.
BERG & ANDROPHY

By: /s/ David Berg

        David Berg
3704 Travis
Houston, Texas 77002
(713) 529-5622 - telephone
(713) 529-3785 - facsimile

HACKERMAN, PETERSON, FRANKEL & MANELA, P.C.

By: /s/ Stephen M. Hackerman

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ATTORNEYS TO THE SPECIAL LITIGATION COMMITTEE
OF COURTYARD BY MARRIOTT II LIMITED PARTNERSHIP
AND COURTYARD BY MARRIOTT LIMITED PARTNERSHIP

Exhibit A

INSIDERS

	CBM I	CBM II
Robert M. Baylis	1	
Bradford Bryan, Jr.	1	
Karl Kilburg	1	.5
Robert Parsons	.25	
William J. Shaw	1	
William R. Tiefel	1	
Christopher Townsend	.25	
General Partner (CBM One LLC / CBM Two LLC)	15	21.5
Total	20.5	22

Exhibit B

CBM I LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE SS. 15.01, ET SEQ., the TEXAS BUSINESS CORPORATION ACT, the TEXAS PARTNERSHIP ACT, the TEXAS LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. SS.SS. 77k, 77o; and the SECURITIES EXCHANGE ACT OF 1934, 15 U.S.C.A. SS.SS. 78b, 78t, 17 C.F.R. SS. 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the CBM I Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by CBM I LP, as described more fully in the CBM I LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of CBM I LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of CBM I LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of CBM I LP and/or any Hotel; the use of cash derived from the management or operations of CBM I LP and/or any Hotel; any borrowings or failure(s) to borrow or refinance and/or to distribute proceeds from same; any property management

agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning CBM I LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (4) any matter or thing done, omitted or suffered to be done relating to CBM I LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Haas Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Haas Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (6) the resolution of the Haas Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Haas Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of, or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

Exhibit C

CBM II LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE (S) 15.01, et seq., the Texas Business Corporation Act, the Texas Partnership Act, the Texas LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. (S)(S) 77k, 77o; and the Securities Exchange Act of 1934, 15 U.S.C.A. (S)(S) 78b, 78t, 17 C.F.R. (S) 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the CBM II Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by CBM II LP, as described more fully in the CBM II LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of CBM II LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of CBM II LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of CBM II LP and/or any Hotel; the use of cash derived from the management or operations of CBM II LP and/or any Hotel; any borrowings or failure(s) to borrow or refinance and/or to distribute proceeds from same; any property

management agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning CBM II LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Milkes Litigation; (4) any matter or thing done, omitted or suffered to be done relating to CBM II LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Milkes Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Milkes Litigation arising out of the transactions or occurrences that are the subject matter of the Milkes Litigation; (6) the resolution of the Milkes Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Milkes Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of, or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

Exhibit D

DESERT SPRINGS LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE (S) 15.01, et seq., the Texas Business Corporation Act, the Texas Partnership Act, the Texas LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. (S)(S) 77k, 77o; and the Securities Exchange Act of 1934, 15 U.S.C.A. (S)(S) 78b, 78t, 17 C.F.R. (S) 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the DESERT SPRINGS Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by DESERT SPRINGS LP, as described more fully in the DESERT SPRINGS LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of DESERT SPRINGS LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of DESERT SPRINGS LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of DESERT SPRINGS LP and/or any Hotel; the use of cash derived from the management or operations of DESERT SPRINGS LP and/or any Hotel; any borrowings or

failure(s) to borrow or refinance and/or to distribute proceeds from same; any property management agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning DESERT SPRINGS LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (4) any matter or thing done, omitted or suffered to be done relating to DESERT SPRINGS LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Haas Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Haas Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (6) the resolution of the Haas Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Haas Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of,

or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

Exhibit E

FAIRFIELD INN LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE (S) 15.01, et seq., the Texas Business Corporation Act, the Texas Partnership Act, the Texas LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. (S)(S) 77k, 77o; and the Securities Exchange Act of 1934, 15 U.S.C.A. (S)(S) 78b, 78t, 17 C.F.R. (S) 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the FAIRFIELD INN Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by FAIRFIELD INN LP, as described more fully in the FAIRFIELD INN LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of FAIRFIELD INN LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of FAIRFIELD INN LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of FAIRFIELD INN LP and/or any Hotel; the use of cash derived from the management or operations of FAIRFIELD INN LP and/or any Hotel; any borrowings or failure(s) to borrow or

refinance and/or to distribute proceeds from same; any property management agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning FAIRFIELD INN LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (4) any matter or thing done, omitted or suffered to be done relating to FAIRFIELD INN LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Haas Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Haas Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (6) the resolution of the Haas Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Haas Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of,

or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

Exhibit F

RESIDENCE INN I LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE (S) 15.01, et seq., the Texas Business Corporation Act, the Texas Partnership Act, the Texas LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. (S)(S) 77k, 77o; and the Securities Exchange Act of 1934, 15 U.S.C.A. (S)(S) 78b, 78t, 17 C.F.R. (S) 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the RESIDENCE INN I Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by RESIDENCE INN I LP, as described more fully in the RESIDENCE INN I LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of RESIDENCE INN I LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of RESIDENCE INN I LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of RESIDENCE INN I LP and/or any Hotel; the use of cash derived from the management or operations of RESIDENCE INN I LP and/or any Hotel; any borrowings or

failure(s) to borrow or refinance and/or to distribute proceeds from same; any property management agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning RESIDENCE INN I LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (4) any matter or thing done, omitted or suffered to be done relating to RESIDENCE INN I LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Haas Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Haas Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (6) the resolution of the Haas Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Haas Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of,

or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

EXHIBIT G

RESIDENCE INN II LP FORM OF RELEASE

"Released Claims" means and includes (A) any and all past, present, existing, future, pending or threatened, suspected or unsuspected, class, derivative, representative and individual claims, rights, demands, assertions, actions, causes of action, litigation, lawsuits, allegations, debts, liens, accounts, dues, sums of money, reckonings, bonds, bills, specialities, contracts, covenants, agreements, controversies, promises, cross-actions, liabilities, trespasses, obligations, losses, damages, costs, expenses, judgments, executions, remedies and suits, of every kind and nature whatsoever; whether in contract or in tort; whether at law or in equity; whether based upon fraud, breach of contract, misrepresentation, negligent misrepresentation, negligence, gross negligence, intentional conduct, libel, slander, business disparagement, oppression, civil conspiracy, deceit, tortious interference, all other business torts, breach of the duty of good faith and fair dealing, breach of fiduciary duty, or any other duty or claim under common law or statute of any nature or jurisdiction, including, without limitation, the DECLARATORY JUDGMENT ACT, the TEXAS FREE ENTERPRISE & ANTITRUST ACT OF 1983, TEX. BUS. & COM. CODE (S) 15.01, et seq., the Texas Business Corporation Act, the Texas Partnership Act, the Texas LIMITED PARTNERSHIP ACT, the DELAWARE REVISED UNIFORM LIMITED PARTNERSHIP ACT, THE SECURITIES ACT OF 1933, 15 U.S.C.A. (S)(S) 77k, 77o; and the Securities Exchange Act of 1934, 15 U.S.C.A. (S)(S) 78b, 78t, 17 C.F.R. (S) 240.10b-5; whether arising under or out of any sale, purchase, offer, tender, contract, agreement, conspiracy, combination, communication, meeting, joint or concerted action; or whether arising under or by virtue of any statute or regulation that now exists or may be created or recognized in the future in any manner, including without limitation, by statute, regulation or judicial decision, including without limitation, all claims

arising under or by virtue of the federal and/or state securities laws; together with all past, present, existing, future, liquidated or unliquidated, fixed or contingent, known or unknown, suspected or unsuspected, pending or threatened injuries, damages, losses, costs, expenses and remedies of every kind and nature, including, but not limited to, actual damages; all exemplary and punitive damages; all penalties of any kind, including but not limited to tax liabilities or penalties; all statutory damages; all property and economic damages; all damages to loss of individual or business reputation, loss of business, loss of company, loss of assets, diminution in assets or investments, loss of standard of living, lost profits and goodwill; all consequential damages; all mental anguish and other similar emotional and psychological damages, including loss of society, affection, consortium, enjoyment and the like, and all other personal injury damages; together with all prejudgment and postjudgment interest, costs and attorneys' fees; whether heretofore or hereafter accruing (all collectively "Claims"); known or unknown, whether each of which directly or indirectly arise out of, in connection with, or are attributable to, for, or related to: (1) the purchase and/or sale of the RESIDENCE INN II Partnership Unit(s); (2) the operation, property management and/or asset management of the Courtyard by Marriott Hotels owned by RESIDENCE INN II LP, as described more fully in the RESIDENCE INN II LP Private Placement Memorandum (the "Hotels"), and the formation, operation, administration and/or reporting of RESIDENCE INN II LP, including, but not limited to, the calculation and payment of all partner and partnership distributions or the failure to do same; the calculation and payment of all returns, including the priority return, or the failure to do same; the calculation and use of all FF&E funds; the results of operations of RESIDENCE INN II LP or the Hotels; the improvements and/or lack thereof of the Hotels; the use, administration, management, or operations of RESIDENCE INN II LP and/or any Hotel; the use of cash derived from the management or operations of RESIDENCE INN II LP and/or any Hotel; any borrowings or

failure(s) to borrow or refinance and/or to distribute proceeds from same; any property management agreement; any guarantee agreement; and any publication or disclosure, report, statement or notice, or the failure to give same, concerning RESIDENCE INN II LP or the Hotels; (3) the conduct, facts, circumstances, matters, causes, communications, agreements, meetings, approvals, purchases, occurrences, transactions, and/or allegations asserted, relied upon or referred to, or which could have been asserted, relied upon, or alleged in the Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (4) any matter or thing done, omitted or suffered to be done relating to RESIDENCE INN II LP and/or the Hotels arising out of the transactions or occurrences that are the subject of the Haas Litigation; (5) any matter that has been brought or that could have been brought before or in any court, tribunal, or forum, in this or any other jurisdiction, in these United States or anywhere else, specifically including but not limited to, any claims which were or could have been asserted in the Haas Litigation arising out of the transactions or occurrences that are the subject matter of the Haas Litigation; (6) the resolution of the Haas Litigation, including but not limited to, all claims, demands, and causes of action which now exist or may arise in the future by virtue of any assignment or otherwise, arising out of the manner in which the Released Persons, or any other representative of the Released Persons, handled, settled, or defended any claims, demands, or causes of action asserted in the Haas Litigation; and (7) the provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or any principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code;

And (B) all known Claims as of the date the Release is executed arising from or relating to the purchase, sale, REIT or other conversion, assignment, holding, operation, performance of,

or investment in each and all of the Defendants and their respective predecessors and successors, and their respective present or former parents, subsidiaries or affiliates.

Nothing in this Release is intended to release, waive, or alter the ability of any Settling Party to assert any claim arising under this Settlement Agreement.

Exhibit H

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (as the same may be amended or modified from time to time and including any and all written instructions given to "Escrow Agent" (hereinafter defined) pursuant hereto, this "Escrow Agreement") is made and entered into as of March ___, 2000 by and among Plaintiffs' Counsel ("Party A"), and Defendants ("Party B"), as those terms are defined in that certain Settlement Agreement dated March 9, 2000 ("Settlement Agreement") (Party A and Party B, sometimes referred to collectively as the "Other Parties"), and CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, a national banking association with its principal offices in Houston, Harris County, Texas (the "Bank").

W I T N E S S E T H :

WHEREAS, Party A and Party B have requested Bank to act in the capacity of escrow agent under this Escrow Agreement, and Bank, subject to the terms and conditions hereof, has agreed so to do;

WHEREAS, Party A and Party B have entered into the Settlement Agreement in settlement of certain litigation identified in the Settlement Agreement;

WHEREAS, the Settlement Agreement calls for Party A and Party B to identify an Escrow Agent for purposes of carrying out certain provisions of the Settlement Agreement and the settlement;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used in this Escrow Agreement, unless specifically defined herein, shall have the meaning and definition identified in the Settlement Agreement, without the necessity of the definition being repeated in this document.

2. Appointment of Escrow Agent. Each of Party A and Party B hereby appoints the Bank as the escrow agent under this Escrow Agreement (the Bank in such capacity, the "Escrow Agent"), and Escrow Agent hereby accepts such appointment.

3. Receipt of Settlement Agreement. The Escrow Agent hereby acknowledges receipt of a copy of the Settlement Agreement for purposes of definitions and instructions to the Escrow Agent.

4. Deposit. On the date specified and subject to the terms and conditions of the Settlement Agreement, Party B will deliver to the Escrow Agent the Settlement Fund (as said amount may increase or decrease as a result of the investment and reinvestment thereof and as said amount may be reduced by charges thereto and payments and setoffs therefrom to compensate or reimburse Escrow Agent for amounts owing to it pursuant hereto, the "Deposit") to be held by Escrow Agent in accordance with the terms hereof. Subject to and in accordance with the terms and conditions hereof, Escrow Agent agrees that it shall receive, hold in escrow, invest and reinvest and release or distribute the Deposit. It is hereby expressly stipulated and agreed that all interest and other earnings on the Deposit shall become a part of the Deposit for all purposes, and that all losses resulting from the investment or reinvestment thereof from time to time and all amounts charged thereto to compensate or reimburse the Escrow Agent from time to time for amounts owing to it hereunder shall from the time of such loss or charge no longer constitute part of the Deposit.

5. Investment of the Deposit. Escrow Agent shall invest and reinvest the Deposit in the Fidelity Treasury Fund #77 Money Market Fund, unless otherwise instructed in writing by Party A.. Such written instructions, if any, referred to in the foregoing sentence shall specify the type and identity of the investments to be purchased and/or sold and shall also include the name of the broker-dealer, if any, which Party A directs the Escrow Agent to use in respect of such investment, any particular settlement procedures required, if any (which settlement procedures shall be consistent with industry standards and practices), and such other information as Escrow Agent may require. Escrow Agent shall not be liable for failure to invest or reinvest funds absent sufficient written direction. Unless Escrow Agent is otherwise directed in such written instructions, Escrow Agent may use a broker-dealer of its own selection, including a broker-dealer owned by or affiliated with Escrow Agent or any of its affiliates. The Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder. It is expressly agreed and understood by the parties hereto that Escrow Agent shall not in any way whatsoever be liable for losses on any investments, including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to this Escrow Agreement.

Receipt, investment and reinvestment of the Deposit shall be confirmed by Escrow Agent as soon as practicable by account statement, and any discrepancies in any such account statement shall be noted by Party A to Escrow Agent within 30 calendar days after receipt thereof. Failure to inform Escrow Agent in writing of any discrepancies in any such account statement within said 30-day period shall conclusively be deemed confirmation of such account statement in its entirety. For purposes of this paragraph, (a) each account statement shall be deemed to have been received by the party to whom directed on the earlier to occur of (i) actual receipt thereof and (ii) three "Business Days" (hereinafter defined) after the deposit thereof in the United States Mail,

postage prepaid and (b) the term "Business Day" shall mean any day of the year, excluding Saturday, Sunday and any other day on which national banks are required or authorized to close in Houston, Texas.

6. Disbursement of Deposit. Escrow Agent is hereby authorized to make disbursements of the Deposit only as follows:

(a) As provided for in the Settlement Agreement, the Plan of Allocation and the Judgment Order of the Court;

(b)) Upon receipt of written instructions signed by both Party A and Party B and otherwise in form and substance satisfactory to Escrow Agent, in accordance with such instructions;

(c) As permitted by this Escrow Agreement, to pay fees and expenses to the Escrow Agent and the Claims Administrator; and

(d) Into the registry of the court in accordance with Sections 8 or 16 hereof.

Notwithstanding anything contained herein or elsewhere to the contrary, the Other Parties hereby expressly agree that the Escrow Agent shall be entitled to charge the Deposit for, and pay and set-off from the Deposit, any and all amounts, if any, then owing to it pursuant to this Escrow Agreement prior to the disbursement of the Deposit in accordance with clauses (a) through (d) (all inclusive) of this Section 4.

7. Tax Matters. Party A shall provide Escrow Agent with its taxpayer identification number documented by an appropriate Form W 8 or Form W 9 upon execution of this Escrow Agreement. Failure so to provide such forms may prevent or delay disbursements from the Deposit and may also result in the assessment of a penalty and Escrow Agent's being required to withhold tax on any interest or other income earned on the Deposit. Any payments of income shall be subject to applicable withholding regulations then in force in the United States or any other jurisdiction, as applicable.

8. Scope of Undertaking. Escrow Agent's duties and responsibilities in connection with this Escrow Agreement shall be purely ministerial and shall be limited to those expressly set forth in this Escrow Agreement. Escrow Agent is not a principal, participant or beneficiary in any transaction underlying this Escrow Agreement and shall have no duty to inquire beyond the terms and provisions hereof. Escrow Agent shall have no responsibility or obligation of any kind in connection with this Escrow Agreement or the Deposit and shall not be required to deliver the Deposit or any part thereof or take any action with respect to any matters that might arise in connection therewith, other than to receive, hold, invest, reinvest and deliver the Deposit as herein provided. Without limiting the generality of the foregoing, it is hereby expressly agreed and stipulated by the parties hereto that Escrow Agent shall not be required to exercise any discretion

hereunder and shall have no investment or management responsibility and, accordingly, shall have no duty to, or liability for its failure to, provide investment recommendations or investment advice to the Other Parties or either of them. Escrow Agent shall not be liable for any error in judgment, any act or omission, any mistake of law or fact, or for anything it may do or refrain from doing in connection herewith, except for, subject to Section 7 hereinbelow, its own willful misconduct or gross negligence. It is the intention of the parties hereto that Escrow Agent shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

9. Reliance; Liability. Escrow Agent may rely on, and shall not be liable for acting or refraining from acting in accordance with, any written notice, instruction or request or other paper furnished to it hereunder or pursuant hereto and believed by it to have been signed or presented by the proper party or parties. Escrow Agent shall be responsible for holding, investing, reinvesting and disbursing the Deposit pursuant to this Escrow Agreement; provided, however, that in no event shall Escrow Agent be liable for any lost profits, lost savings or other special, exemplary, consequential or incidental damages in excess of Escrow Agent's fee hereunder and provided, further, that Escrow Agent shall have no liability for any loss arising from any cause beyond its control, including, but not limited to, the following: (a) acts of God, force majeure, including, without limitation, war (whether or not declared or existing), revolution, insurrection, riot, civil commotion, accident, fire, explosion, stoppage of labor, strikes and other differences with employees; (b) the act, failure or neglect of any Other Party or any agent or correspondent or any other person selected by Escrow Agent; (c) any delay, error, omission or default of any mail, courier, telegraph, cable or wireless agency or operator; or (d) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers. Escrow Agent is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of this Escrow Agreement or any part hereof or for the transaction or transactions requiring or underlying the execution of this Escrow Agreement, the form or execution hereof or for the identity or authority of any person executing this Escrow Agreement or any part hereof or depositing the Deposit.

10. Right of Interpleader. Should any controversy arise involving the parties hereto or any of them or any other person, firm or entity with respect to this Escrow Agreement or the Deposit, or should a substitute escrow agent fail to be designated as provided in Section 15 hereof, or if Escrow Agent should be in doubt as to what action to take, Escrow Agent shall have the right, but not the obligation, either to (a) withhold delivery of the Deposit until the controversy is resolved, the conflicting demands are withdrawn or its doubt is resolved or (b) institute a petition for interpleader in any court of competent jurisdiction to determine the rights of the parties hereto. In the event Escrow Agent is a party to any dispute, Escrow Agent shall have the additional right to refer such controversy to binding arbitration. Should a petition for interpleader be instituted, or should Escrow Agent be threatened with litigation or become involved in litigation or binding arbitration in any manner whatsoever in connection with this Escrow Agreement or the Deposit, the Other Parties hereby jointly and severally agree to reimburse Escrow Agent for its attorneys' fees and any and all other expenses, losses, costs and damages incurred by Escrow Agent in connection

with or resulting from such threatened or actual litigation or arbitration prior to any disbursement hereunder.

11. Indemnification. The Other Parties hereby jointly and severally indemnify Escrow Agent, its officers, directors, partners, employees and agents (each herein called an "Indemnified Party") against, and hold each Indemnified Party harmless from, any and all expenses, including, without limitation, attorneys' fees and court costs, losses, costs, damages and claims, including, but not limited to, costs of investigation, litigation and arbitration, tax liability and loss on investments suffered or incurred by any Indemnified Party in connection with or arising from or out of this Escrow Agreement, except such acts or omissions as may result from the willful misconduct or gross negligence of such Indemnified Party. IT IS THE EXPRESS INTENT OF EACH OF PARTY A AND PARTY B TO INDEMNIFY EACH OF THE INDEMNIFIED PARTIES FOR, AND HOLD THEM HARMLESS AGAINST, THEIR OWN NEGLIGENT ACTS OR OMISSIONS.

12. Compensation and Reimbursement of Expenses. The Other Parties hereby agree that Escrow Agent shall be paid for its services hereunder in accordance with Escrow Agent's fee schedule as in effect from time to time and to pay all expenses incurred by Escrow Agent in connection with the performance of its duties and enforcement of its rights hereunder and otherwise in connection with the preparation, operation, administration and enforcement of this Escrow Agreement, including, without limitation, attorneys' fees, brokerage costs and related expenses incurred by Escrow Agent. Such payment shall be made (i) first, out of the interest or other income earned by the Settlement Fund during the period it has been deposited with Escrow Agent and (ii) if that amount is insufficient, by Defendants.

13. Lien. Each of the Other Parties hereby grants to Escrow Agent a lien upon, and security interest in, all its right, title and interest in and to all of the Deposit as security for the payment and performance of its obligations owing to Escrow Agent hereunder, including, without limitation, its obligations of payment, indemnity and reimbursement provided for hereunder, which lien and security interest may be enforced by Escrow Agent without notice by charging and setting-off and paying from, the Deposit any and all amounts then owing to it pursuant to this Escrow Agreement or by appropriate foreclosure proceedings.

14. Funds Transfer. In the event funds transfer instructions are given (other than in writing at the time of execution of the Agreement), whether in writing, by telefax, or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or person designated on Schedule A hereto, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by the Escrow Agent. The parties to this Agreement acknowledge that such security procedure is commercially reasonable.

It is understood that the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by either of the other parties hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank, designated.

15. Notices. Any notice or other communication required or permitted to be given under this Escrow Agreement by any party hereto to any other party hereto shall be considered as properly given if in writing and (a) delivered against receipt therefor, (b) mailed by registered or certified mail, return receipt requested and postage prepaid or (c) sent by telefax machine, in each case to the address or telefax number, as the case may be, set forth below:

If to Escrow Agent:

Chase Bank of Texas, National Association
600 Travis Street, Suite 1150
Houston, TX 77002
Attn: May Ng
CMFS/Escrow Section
Telefax No.: (713) 216-6927

If to Party A:

David Berg, Esq.
Berg, Androphy & Wilson
3704 Travis
Houston, TX 77002
Telefax No.: (713) 529-3785
Telephone No.:(713) 529-5622

If to Party B:

James E. Akers, Esq.
Marriott International, Inc.
Marriott Drive, Dept. 92/523
Washington, D.C. 20058
Telefax No.: (301) 380-6727
Telephone No.:(301) 380-1845

Jerome Kraisinger, Esq.
Host Marriott Corporation

Marriott Drive, Dept. 92/523
Washington, D.C. 20058
Telefax No.: (301) 380-6332
Telephone No.:(301) 380-1038

With copies to:

Tom A. Cunningham, Esq.
Cunningham, Darlow, Zook & Chapoton, LLP
1700 Chase Tower
600 Travis
Houston, TX 77002
Telefax No.: (713) 659-4466
Telephone No.:(713) 659-5522

Richard S. Hoffman, Esq.
Williams & Connolly LLP
725 12th Street, N.W.
Washington, D.C. 20005
Telefax No.: (202) 434-5029
Telephone No.:(202) 434-5000

Except to the extent otherwise provided in the second paragraph of Section 3 hereinabove, delivery of any communication given in accordance herewith shall be effective only upon actual receipt thereof by the party or parties to whom such communication is directed. Any party to this Escrow Agreement may change the address to which communications hereunder are to be directed by giving written notice to the other party or parties hereto in the manner provided in this section.

16. Consultation with Legal Counsel. Escrow Agent may consult with its counsel or other counsel satisfactory to it concerning any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by it in good faith upon the advice of such counsel.

17. Choice of Laws; Cumulative Rights. This Escrow Agreement shall be construed under, and governed by, the laws of the State of Texas, excluding, however, (a) its choice of law rules and (b) the portions of the Texas Trust Code Sec. 111.001, et seq. of the Texas Property Code concerning fiduciary duties and liabilities of trustees. All of Escrow Agent's rights hereunder are cumulative of any other rights it may have at law, in equity or otherwise. The parties hereto agree that the forum for resolution of any dispute arising under this Escrow Agreement shall be Harris County, Texas, and each of the Other Parties hereby consents, and submits itself, to the jurisdiction of any state or federal court sitting in Harris County, Texas.

18. Resignation. Escrow Agent may resign hereunder upon ten (10) days' prior notice to the Other Parties. Upon the effective date of such resignation, Escrow Agent shall deliver the Deposit to any substitute escrow agent designated by the Other Parties in writing. If the Other Parties fail to designate a substitute escrow agent within ten (10) days after the giving of such notice, Escrow Agent may institute a petition for interpleader. Escrow Agent's sole responsibility after such 10-day notice period expires shall be to hold the Deposit (without any obligation to reinvest the same) and to deliver the same to a designated substitute escrow agent, if any, or in accordance with the directions of a final order or judgment of a court of competent jurisdiction, at which time of delivery Escrow Agent's obligations hereunder shall cease and terminate.

19. Assignment. This Escrow Agreement shall not be assigned by either of the Other Parties without the prior written consent of Escrow Agent (such assigns of the Other Parties to which Escrow Agent consents, if any, and Escrow Agent's assigns being hereinafter referred to collectively as "Permitted Assigns").

20. Severability. If one or more of the provisions hereof shall for any reason be held to be invalid, illegal or unenforceable in any respect under applicable law, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and this Escrow Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the remaining provisions hereof shall be given full force and effect.

21. Termination. This Escrow Agreement shall terminate upon the disbursement, in accordance with Sections 4 or 16 hereof, of the Deposit in full; provided, however, that in the event all fee, expenses, costs and other amounts required to be paid to Escrow Agent hereunder are not fully and finally paid prior to termination, the provisions of Section 10 hereof shall survive the termination hereof and, provided further, that the last two sentences of Section 8 hereof and the provisions of Section 9 hereof shall, in any event, survive the termination hereof.

22. General. The section headings contained in this Escrow Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Escrow Agreement. This Escrow Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders. The terms and provisions of this Escrow Agreement constitute the entire agreement among the parties hereto in respect of the subject matter hereof, and neither the Other Parties nor Escrow Agent has relied on any representations or agreements of the other, except as specifically set forth in this Escrow Agreement. This Escrow Agreement or any provision hereof may be amended, modified, waived or terminated only by written instrument duly signed by the parties hereto. This Escrow Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, devisees, executors, administrators, personal representatives, successors, trustees, receivers and

Permitted Assigns. This Escrow Agreement is for the sole and exclusive benefit of the Other Parties and the Escrow Agent, and nothing in this Escrow Agreement, express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement to be effective as of the date first above written.

By:

Name:

Title:

"PARTY A"

By:

Name:

Title:

"PARTY B"

CHASE BANK OF TEXAS
NATIONAL ASSOCIATION

By:

Name:

Title:

"ESCROW AGENT"

Schedule ___

Telephone Number(s) for Call-backs and Person(s)
Designated to Confirm Funds Transfer Instructions

If to Party A:

Name	Telephone Number
1. _____	_____
2. _____	_____

If to Party B:

Name	Telephone Number
1. _____	_____
2. _____	_____

Telephone call-backs shall be made to either Party A or B if joint instructions are required pursuant to the Agreement.