UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 17, 2011

Marriott Vacations Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-35219**	**45-2598330**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

6649 Westwood Blvd., Orlando, FL	**32821**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (407) 206-6000

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On November 21, 2011 (the "Dividend Payment Date"), Marriott International, Inc. ("Marriott International") completed a spin-off (the "Spin-Off") of its vacation ownership operations and related residential business through a special tax-free dividend to Marriott International's shareholders of all of the issued and outstanding common stock of our company, Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide," and together with its subsidiaries, "we," "us" or the "Company"). We will focus on the vacation ownership business and, under license agreements with Marriott International, will be both the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under The Ritz-Carlton brand.

We filed a Registration Statement on Form 10 with the Securities and Exchange Commission (the "SEC") describing the Spin-Off that was declared effective on October 27, 2011. We are now an independent company, and our common stock is listed on the New York Stock Exchange under the symbol "VAC". Our Information Statement, dated October 25, 2011 (the "Information Statement"), which describes for shareholders the details of the Spin-Off and provides information as to the business and management of the Company, is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The Information Statement was first mailed to Marriott International's shareholders on or about November 2, 2011.

On the Dividend Payment Date, Marriott International shareholders of record as of the close of business on November 10, 2011 received one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock. As of November 21, 2011, Marriott Vacations Worldwide had approximately 33.7 million shares outstanding. Fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would have otherwise been entitled will be aggregated and sold in the open market, and shareholders will receive cash payments in lieu of those fractional shares.

Agreements with Marriott International

In connection with the Spin-Off, we entered into several agreements with Marriott International, and, in some cases, certain of its subsidiaries, that will govern the terms of the Spin-Off and our relationship with Marriott International thereafter, including the agreements listed below. A more extensive summary of each of these agreements can be found in the Information Statement in the section entitled "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off," which is incorporated herein by reference. The information about those agreements therein and below is qualified in its entirety by reference to the full text of the agreements, which are filed as exhibits to this Current Report on Form 8-K and are hereby incorporated by reference.

Separation and Distribution Agreement

On November 17, 2011, we and our subsidiaries Marriott Ownership Resorts, Inc. ("MORI"), Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC entered into a Separation and Distribution Agreement with Marriott International, which sets forth the principal actions taken in connection with the Spin-Off. It also sets forth other agreements that govern certain aspects of our continued relationship with Marriott International following the Spin-Off.

License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property

On November 17, 2011, we, Marriott International and its subsidiary Marriott Worldwide Corporation entered into a License, Services, and Development Agreement (the "Marriott License Agreement"), and we and The Ritz-Carlton Hotel Company, L.L.C. entered into a License, Services, and Development Agreement (together, the "License Agreements"). These License Agreements grant us the exclusive right, for their respective terms, to use certain Marriott and Ritz-Carlton marks and intellectual property in our vacation ownership business, the exclusive right to use the Grand Residences by Marriott marks and intellectual property in our residential real estate business and the non-exclusive right to use certain Ritz-Carlton marks and intellectual property in our residential real estate development business.

Employee Benefits and Other Employment Matters Allocation Agreement

On November 17, 2011, we entered into an Employee Benefits and Other Employment Matters Allocation Agreement with Marriott International, which sets forth our agreement with Marriott International on the allocation of employees and obligations and responsibilities for compensation, benefits and labor matters. The terms of this agreement differ from the description included in our Information Statement to the extent that the description of adjustments of outstanding stock options and stock appreciation rights should refer to the relative value of (1) as applicable, Marriott International common stock, ex dividend, or Marriott Vacations Worldwide common stock, when issued, at the close of trading on November 21, 2011, to (2) Marriott International common stock with due bills at the close of trading on November 18, 2011.

Tax Sharing and Indemnification Agreement

On November 17, 2011, we entered into a Tax Sharing and Indemnification Agreement with Marriott International, which describes the methodology for allocating between Marriott International and ourselves responsibility for federal, state, local and foreign income and other taxes relating to taxable periods before and after the Spin-Off. This agreement also provides that if any part of the Spin-Off fails to qualify for the tax treatment stated in the ruling Marriott International received from the U.S. Internal Revenue Service, taxes imposed on Marriott International or that it incurs as a result of such failure will be allocated between Marriott International and us and each will indemnify and hold harmless the other from and against the taxes so allocated.

Marriott Rewards Affiliation Agreement

On November 17, 2011, we and MORI and certain of our subsidiaries entered into a Marriott Rewards Affiliation Agreement with Marriott International and its subsidiary Marriott Rewards, LLC, which provides us with the ability to continue our participation in the Marriott Rewards guest loyalty program, including the ability to issue and use Marriott Rewards Points following the Spin-Off.

Non-Competition Agreement

On November 17, 2011, we entered into a Non-Competition Agreement with Marriott International, which, until the earlier of the tenth anniversary of the Dividend Payment Date or the termination of the Marriott License Agreement, generally prohibits Marriott International and its subsidiaries from engaging in the vacation ownership business and prohibits us and our subsidiaries from engaging in the hotel business.

Transition Services Agreements

On November 17, 2011, we entered into an Omnibus Transition Services Agreement, a Payroll Services Agreement, a Human Resources and Internal Communications Transition Services Agreement and an Information Resources Transition Services Agreement with Marriott International. Under these transition services agreements, Marriott International or certain of its subsidiaries will provide us with certain services for a limited time to help ensure an orderly transition following the Spin-Off.

Other Agreements

As described in our Information Statement, we entered into our Revolving Corporate Credit Facility with a syndicate of banks led by JP Morgan Chase Bank on October 20, 2011. This four-year $200 million revolving senior secured credit facility includes a letter of credit sub facility of $120 million.

On November 17, 2011, we entered into a First Amendment to the Revolving Corporate Credit Facility, pursuant to which, among other things, changes were made to (i) the conditions to initial borrowings under the Revolving Corporate Credit Facility, (ii) our obligations to deliver certain collateral to the administrative agent, and (iii) the provisions for the perfection of certain security interests.

On November 18, 2011, we entered into a Waiver and Second Amendment to the Revolving Corporate Credit Facility, pursuant to which, among other things, changes were made to our obligations to deliver certain collateral to the administrative agent.

On November 21, 2011, as contemplated by the Revolving Corporate Credit Facility, we, MORI and certain of MORI's subsidiaries, entered into a Guarantee and Collateral Agreement (the "Guarantee and Collateral Agreement") in favor of JPMorgan Chase Bank, N.A., as administrative agent for the financial institutions party to the Revolving Corporate Credit Facility. Pursuant to the Guaranty and Collateral Agreement, the Revolving Corporate Credit Facility is guaranteed by us and by each of our direct and indirect, existing and future, domestic subsidiaries (excluding certain special purpose subsidiaries), and is secured by a perfected first priority security interest in substantially all of our assets and the assets of the guarantors, subject to certain exceptions.

The description of each of the agreements above is qualified in its entirety by reference to the full text of the agreements, which are filed as exhibits to this Current Report on Form 8-K and are hereby incorporated by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information included in Item 1.01 is incorporated herein by reference.

Item 3.03 Material Modifications to Rights of Security Holders.

The information included in Item 5.03 is incorporated herein by reference.

Item 5.01 Changes in Control of Registrant.

The information included in Item 1.01 is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 25, 2011, prior to the date on which the Company became subject to the requirements of Section 13(a) of the Securities Exchange Act of 1934, the Board of Directors of the Company (the "Board") expanded the size of the Board to seven members and elected Raymond L. Gellein, Jr., Deborah M. Harrison, Thomas J. Hutchinson III, Melquiades R. Martinez and Stephen P. Weisz as members of the Board, in each case effective as of 11:59 p.m. on November 20, 2011. The new directors joined William J. Shaw and William W. McCarten, each of whom had previously been elected to the Board. Mr. Shaw was designated the Chairman of the Board.

Mr. McCarten, who had been serving as the sole member of the Audit Committee since November 7, 2011, was appointed to serve as chair, and Mr. Gellein and Mr. Hutchinson were appointed to serve as members, of the Audit Committee of the Board.

Mr. Gellein was appointed to serve as chair, and Mr. Hutchison, Mr. Martinez and Mr. McCarten were appointed to serve as members, of the Nominating and Corporate Governance Committee of the Board.

Mr. Hutchinson was appointed to serve as chair, and Mr. Gellein and Mr. McCarten were appointed to serve as members, of the Compensation Policy Committee of the Board.

Information regarding each of these directors is included under the heading "Management" in the Information Statement. The information required by Item 404(a) of Regulation S-K regarding Ms. Harrison and Mr. Weisz is included under the heading "Related Party Transactions—Certain Relationships and Potential Conflicts of Interest" in the Information Statement, which is incorporated herein by reference.

Each of W. David Mann, Robert J. McCarthy and Kevin Kimball tendered his resignation from the Board effective as of 11:59 p.m. on November 20, 2010.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective at 11:59 p.m. on November 20, 2011, the Company restated its certificate of incorporation (the "Restated Certificate"). The Restated Certificate is filed as Exhibit 3.1 hereto.

Effective at 11:59 p.m. on November 20, 2011, the Company restated its bylaws (the "Restated Bylaws"). The Restated Bylaws are filed as Exhibit 3.2 hereto.

A description of the material provisions of the Restated Certificate and the Restated Bylaws can be found in the section entitled "Description of Capital Stock" in the Information Statement, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

On November 7, 2011, we filed a Registration Statement on Form S-8 (the "Form S-8") with respect to our offering of up to 6,000,000 shares of our common stock that will be issuable pursuant to the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan. The unqualified legal opinion as to the validity of such shares is filed as Exhibit 5.1 to this Current Report on Form 8-K and is incorporated by reference into the Form S-8.

(d) Exhibits. The following exhibits are filed with this report:

Exhibit	2.1	Separation and Distribution Agreement, entered into on November 17, 2011, among Marriott International, Inc., Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC.
Exhibit	3.1	Restated Certificate of Incorporation of Marriott Vacations Worldwide Corporation.

Exhibit 3.2	Restated Bylaws of Marriott Vacations Worldwide Corporation.
Exhibit 5.1	Opinion of Gibson, Dunn & Crutcher LLP.
Exhibit 10.1	License, Services, and Development Agreement, entered into on November 17, 2011, among Marriott International, Inc., Marriott Worldwide Corporation, Marriott Vacations Worldwide Corporation and the other signatories thereto.
Exhibit 10.2	License, Services, and Development Agreement, entered into on November 17, 2011, among The Ritz-Carlton Hotel Company, L.L.C., Marriott Vacations Worldwide Corporation and the other signatories thereto.
Exhibit 10.3	Employee Benefits and Other Employment Matters Allocation Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.4	Tax Sharing and Indemnification Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.5	Marriott Rewards Affiliation Agreement, entered into on November 17, 2011, among Marriott International, Inc., Marriott Rewards, LLC, Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc. and the other signatories thereto.
Exhibit 10.6	Non-Competition Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.7	Omnibus Transition Services Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.8	Payroll Services Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.9	Human Resources and Internal Communications Transition Services Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.10	Information Resources Transition Services Agreement, entered into on November 17, 2011, between Marriott International, Inc. and Marriott Vacations Worldwide Corporation.
Exhibit 10.11	First Amendment, dated as of November 17, 2011, among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions set forth therein, to the $200,000,000 Credit Agreement, dated October 20, 2011, among Marriott Vacations Worldwide Corporation and the other parties thereto.
Exhibit 10.12	Waiver and Second Amendment, dated as of November 18, 2011, among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions set forth therein, to the $200,000,000 Credit Agreement, dated October 20, 2011, among Marriott Vacations Worldwide Corporation and the other parties thereto.
Exhibit 10.13	Guarantee and Collateral Agreement, dated as of November 21, 2011, among Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc. (“MORI”) and certain of MORI’s subsidiaries, in favor of JPMorgan Chase Bank, N.A., as administrative agent for the financial institutions party to the $200,000,000 Credit Agreement, dated October 20, 2011, among Marriott Vacations Worldwide Corporation and the other parties thereto.
Exhibit 23.1	Consent of Gibson, Dunn & Crutcher LLP (incorporated by reference from Exhibit 5.1).
Exhibit 99.1	Information Statement, dated October 25, 2011.
Exhibit 99.2	Press release, dated November 22, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
(Registrant)

Date: November 22, 2011

By: /s/ James H Hunter, IV
Name: James H Hunter, IV
Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
2.1	Separation and Distribution Agreement, entered into on November 17, 2011, among Marriott International, Inc., Marriott Vacations Worldwide Corporation, Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC.
3.1	Restated Certificate of Incorporation of Marriott Vacations Worldwide Corporation.
3.2	Restated Bylaws of Marriott Vacations Worldwide Corporation.
5.1	Opinion of Gibson, Dunn & Crutcher LLP.
10.1	License, Services, and Development Agreement, entered into on November 17, 2011, among Marriott International, Inc., Marriott Worldwide Corporation, Marriott Vacations Worldwide Corporation and the other signatories thereto.
10.2	License, Services, and Development Agreement, entered into on November 17, 2011, among The Ritz-Carlton Hotel Company, L.L.C., Marriott Vacations Worldwide Corporation and the other signatories thereto.
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23.1	Consent of Gibson, Dunn & Crutcher LLP (incorporated by reference from Exhibit 5.1).
99.1	Information Statement, dated October 25, 2011.
99.2	Press release, dated November 22, 2011.

Exhibit 2.1

Execution Copy

SEPARATION AND DISTRIBUTION AGREEMENT

Among

MARRIOTT INTERNATIONAL, INC.,

MARRIOTT VACATIONS WORLDWIDE CORPORATION,

MARRIOTT OWNERSHIP RESORTS, INC.,

MARRIOTT RESORTS HOSPITALITY CORPORATION,

MVCI ASIA PACIFIC PTE. LTD.

and

MVCO SERIES LLC

Dated as of November 17, 2011

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SEPARATION AND DISTRIBUTION AGREEMENT

SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement"), dated as of November 17, 2011, between Marriott International, Inc., a Delaware corporation ("MII"), Marriott Vacations Worldwide Corporation, a Delaware corporation ("MVWC") and Marriott Ownership Resorts, Inc., a Delaware corporation, Marriott Resorts Hospitality Corporation, a South Carolina corporation, MVCI Asia Pacific Pte. Ltd., a Singapore private limited company, and MVCO Series LLC, a Delaware limited liability company, (each of Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC, a "Guarantor").

RECITALS

A. MII, acting through itself and its direct and indirect Subsidiaries (as defined below), currently conducts the MVWC Business and the MII Retained Business (each as defined below).

B. The board of directors of MII ("MII Board") has determined that it is appropriate, desirable and in the best interests of MII and its stockholders to separate MII into two publicly traded companies: (a) MVWC, which following the Separation (as defined below) will own and conduct, directly and indirectly, the MVWC Business; and (b) MII, which following the Separation will own and conduct, directly and indirectly, the MII Retained Business.

C. Prior to the Distribution, the parties will complete the Internal Reorganization (as defined below) and the MVW Holdings Financing (as defined below).

D. On the Distribution Date (as defined below) and subject to the terms and conditions of this Agreement, MII will distribute to the Record Holders (as defined below), on a *pro rata* basis, all the outstanding shares of common stock, par value $0.01 per share, of MVWC ("MVWC Common Stock") owned by MII on the Distribution Date (the "Distribution").

E. The parties to this Agreement intend that (i) the MVWC Contribution (as defined below) followed by the Distribution constitute a tax-free reorganization under Section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement be, and is hereby adopted as, a plan of reorganization under Section 368 of the Code with each of MII and MVWC as a party to the reorganization and (ii) the Distribution qualifies under Section 355 of the Code.

F. As a condition precedent to MII entering into this Agreement, each Guarantor agrees to guarantee all of MVWC's obligations under this Agreement.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms. For the purpose of this Agreement:

"Action" means any claim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" of any Person means a Person that controls, is controlled by, or is under common control with such Person; provided, however, that for purposes of this Agreement, none of the MII Entities will be deemed to be an Affiliate of any MVWC Entity and none of the MVWC Entities will be deemed to be an Affiliate of any MII Entity, and no employee plan trust will be deemed an Affiliate of any employer or any Affiliate of any employer. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"Agent" means the distribution agent to be appointed by the MII Board to distribute to the Record Holders the shares of MVWC Common Stock pursuant to the Distribution.

"Agreement Dispute" means any controversy, dispute or claim that (i) arises out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of a Transaction Agreement or (ii) otherwise arises out of, or in any way relates to a Transaction Agreement or the transactions contemplated thereby, including any claim based on contract, tort or statute, but excluding the Excluded Disputes.

"Ancillary Agreements" means the Employee Benefits Allocation Agreement, the Internal Reorganization Documents, the Marriott License Agreement, the Leases, Licenses and Subleases, the MVW Holdings Financing Documents, the Non-Competition Agreement, the On-Site Management Agreements, the Reciprocal Employee Discount Agreements, the Rewards Agreement, the Ritz-Carlton License Agreement, the Singapore Letter of Credit Reimbursement Agreement, the Tax Sharing and Indemnification Agreement, the Transition Services Agreements, the Telemarketing Services Agreement and any other instruments, assignments, documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement.

"Assets" means all assets, properties, claims and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all books and records of account; general, legal, financial and accounting (including records relating to Taxes) files; customers', prospects', suppliers' and other distribution lists; invoices; billing records; sales and promotional materials; artwork and photographs; manuals; and customer and supplier correspondence or other similar information; and other books, records, studies, surveys, reports, plans and documents (in any form or medium);

(b) all apparatus, computers and other electronic data processing and communications equipment, fixtures, machinery, equipment, furniture, furnishings, office equipment, parts, spare parts, automobiles, trucks, motor vehicles and other transportation equipment, and other tangible personal property;

(c) all finished goods and products, materials, supplies, packaging materials and other inventories;

(d) all interests in and rights with respect to real property of whatever nature, including easements and rights of way, structures, facilities or improvements located thereon and all easements, licenses, rights and appurtenances relating to the foregoing, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, VOIs, Whole Ownership Units and copies of all related documentation;

(e) all interests in any capital stock or other equity, partnership, membership, joint venture or similar interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(f) all license agreements, leases of personal property, open purchase orders for supplies, parts or services, and other commitments;

(g) all deposits, letters of credit, guarantees and performance and surety bonds;

(h) all domestic and foreign patents, and rights in respect of utility models or industrial designs; copyrights, trade names, trademarks, service marks and registrations and applications for any of the foregoing, domain names, trade dress and similar rights, know-how, trade secrets, inventions, discoveries, methods, processes, technical data, specifications, research and development information, technology, inventions and other proprietary information and licenses from third parties granting the right to use any of the foregoing;

(i) all computer applications, programs and other software, including operating software, network software, firmware, middleware, design software, design tools, systems documentation and instructions, flow charts, instructions, source code, listings, object code listings, design details, algorithms, processes, formulae, and related material that would enable the software to be reproduced, recreated or recompiled, and computer databases;

(j) all credits, prepaid expenses, customer deposits, trade accounts and other accounts and notes receivable;

(k) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, and all claims, choses in action or similar rights, whether accrued or contingent, including all rights under all guarantees, warranties, indemnities and similar rights;

(l) all insurance proceeds and rights under Insurance Policies and all rights in the nature of insurance, indemnification or contribution, and copies of all documentation related to Insurance Policies;

(m) all licenses, permits, registrations, approvals and authorizations that have been issued by any Governmental Authority and all pending applications therefor;

(n) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(o) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"Association" means any association, trust, property owning company or similar entity that is formed (whether incorporated or unincorporated, mandatory or voluntary) for the purpose of protecting the consumer purchasers of VOIs or Whole Ownership Units from the insolvency or bankruptcy of any MVWC Entities or for governance purposes relating to a Resort.

"Available Net Assets" shall mean, with respect to any Person, the amount, as of the respective date of calculation, by which the sum of such Person's assets (including subrogation, indemnity, contribution, reimbursement and similar rights that such Person may have, but excluding any such rights in respect of the Guarantor Obligations), determined on the basis of a "fair valuation" or their "fair saleable value" (whichever is the applicable test under Section 548 and other relevant provisions of the Bankruptcy Code and the relevant state fraudulent conveyance or transfer laws), is greater than the amount that will be required to pay all of such Person's debts, in each case matured or unmatured, contingent or otherwise, as of the date of calculation, but excluding liabilities arising under the Guaranty set forth in Article XII of this Agreement and excluding, to the maximum extent permitted by Applicable Law with the objective of avoiding rendering such Person insolvent, liabilities subordinated to the Obligations arising out of loans or advances made to such Person by any other Person.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Change of Control" means the occurrence of any of the following after the Distribution: (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of MVWC and its Subsidiaries taken as a whole

to any person (as used in Section 13(d)(3) of the Exchange Act) or group of related persons for purposes of Section 13(d) of the Exchange Act other than MVWC or one of its Subsidiaries; (b) the approval by the holders of MVWC Common Stock of any plan or proposal for the liquidation or dissolution of MVWC or MVWC's approval or making of any bankruptcy filing; (c) the consummation of any transaction (including any merger or consolidation) the result of which is that any person (as used in Section 13(d)(3) of the Exchange Act) or group of related persons for purposes of Section 13(d) of the Exchange Act other than MVWC or one of its Subsidiaries becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of MVWC voting securities; or (d) the first day on which a majority of the members of MVWC's board of directors are not Continuing Directors.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Consents" means any consents, waivers or approvals from, or notification requirements to, any Person other than a member of either Group.

"Continuing Director" means, as of any date of determination, any member of the board of directors of MVWC who (a) was a member of such board of directors as of the Distribution; or (b) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election (either by a specific vote or by approval of the proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

"Corporate Credit Facility" means the revolving credit facility in the initial amount of $200 million to be entered into between MVWC or one of its Subsidiaries as borrower and an agent or co-agents.

"Credit Support Instruments" means surety bonds, covenants, indemnities, undertakings, letters of credit or similar assurances or other credit support.

"Current Assets Accounts" means those current assets accounts of MVWC and its Subsidiaries agreed to by the parties hereto prior to the Distribution Date for purposes of determining Working Capital.

"Current Liabilities Accounts" means those current liabilities accounts of MVWC and its Subsidiaries agreed to by the parties hereto prior to the Distribution Date for purposes of determining Working Capital.

"Distribution Date" means the date, determined by the MII Board, on which the Distribution occurs.

"Distribution Ratio" means the number of shares of MVWC Common Stock to be distributed in respect of each share of MII Common Stock in the Distribution, which ratio will be determined by the MII Board prior to the Record Date.

"Effective Date" means November 19, 2011, the date determined by the MII Board on which this Agreement will become effective.

"Effective Time" means 12:01 a.m. New York City time on the Distribution Date.

"Employee Benefits Allocation Agreement" means the Employee Benefits and other Matters Allocation Agreement, which will be effective as of the Effective Time, between MII and MVWC.

"Exchange" means the New York Stock Exchange or another national securities exchange approved by the MII Board.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Excluded Disputes" means (i) any controversy, dispute or claim brought by or against a third party arising out of any contract, including a Transaction Agreement, and (ii) any dispute under any Transaction Agreement that specifically provides for different dispute resolution procedures than those specified in Article X of this Agreement and which will be subject to the provisions contained in such Transaction Agreement.

"Form 10" means the registration statement on Form 10 filed by MVWC with the SEC to effect the registration of MVWC Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time, including any amendment or supplement thereto.

"Form 10 Liabilities" means Liabilities arising from any untrue statement or alleged untrue statement of a material fact in the Form 10 or omission or alleged omission to state a material fact required to be stated in the Form 10 or necessary to make the statements in the Form 10 not misleading with respect to all information contained in the Form 10.

"GAAP" means United States general accepted accounting principles as in effect on the date hereof.

"Governmental Approvals" means any notices, reports or other filings to be given to or made with, or any releases, Consents, substitutions, approvals, amendments, registrations, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any United States or non-United States national, federal, state or local governmental, regulatory or administrative authority, agency or commission or any judicial or arbitral body.

"Group" means the MII Group or the MVWC Group, as the context requires.

"Information" means information, including books and records, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts,

instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Information Statement" means the Information Statement, attached as an exhibit to the Form 10, to be sent to each holder of MVWC Common Stock in connection with the Distribution, as such Information Statement may be amended from time to time, including any amendment or supplement thereto.

"Insurance Policies" means the insurance policies written by third-party insurance carriers or self-insurance funds or programs of the MII Group under which, prior to the Effective Time, one or more MII Entities and/or MVWC Entities or one or more of their Affiliates (or their respective officers or directors) are insured parties, excluding insurance policies funding Benefit Plans (as defined in the Employee Benefits Allocation Agreement) (which are addressed in the Employee Benefits Allocation Agreement).

"Insurance Proceeds" means those monies:

(a) received by an insured from a third-party insurance carrier or program;

(b) paid by a third-party insurance carrier on behalf of an insured or program; or

(c) received (including by way of set-off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability,

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses (including allocated costs of in-house counsel and other personnel to the extent charged to the members of the MVWC and MII Groups prior to the Effective Time) incurred in the collection thereof.

"Internal Reorganization" means the internal reorganization of MII and its Affiliates agreed to by the parties hereto prior to the Distribution.

"Internal Reorganization Documents" means the documents pursuant to which the Internal Reorganization shall be implemented.

"IRS" means the U.S. Internal Revenue Service.

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or

any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

"Leases, Licenses and Subleases" means the leases, licenses and subleases between the MII Group and the MVWC Group by which one or more members of a Group make certain space and facilities available to one or more members of the other Group.

"Liabilities" means any and all losses, claims, charges, debts, demands, Actions, damages, obligations, payments, costs and expenses, sums of money, bonds, indemnities and similar obligations, penalties, covenants, contracts, controversies, agreements, promises, omissions, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses (including allocated costs of in-house counsel and other internal personnel to the extent allocated to the members of the MVWC and MII Groups prior to the Effective Time), whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement or any Transaction Agreement (other than the Tax Sharing and Indemnification Agreement) or incurred by a party hereto or thereto in connection with enforcing its rights to indemnification hereunder or thereunder, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

"LIBOR" means the rate per annum for deposits in U.S. dollars for a one month period appearing on that page of the Bloomberg's Report which displays British Banker's Association Interest Settlement Rates for deposits in U.S. dollars (or if such page or service shall cease to be available, such other page on that service or such other service designated by the British Banker's Association for the display of such Association's Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) on the first business day of each month.

"Marriott License Agreement" means the License, Services and Development Agreement, which will be effective as of the Effective Date, among MII, Marriott Worldwide Corporation and MVWC.

"Maximum Available Net Assets" shall mean, with respect to any Person, the greatest of the Available Net Assets of such Person calculated as of the following dates: (A) the Distribution Date, and (B) each date on which such Person expressly reaffirms the Guaranty set forth in Article XII of this Agreement.

"MII Assumed Liabilities" means the Liabilities listed in Schedule I, including any Liabilities on the MII Balance Sheet, any Liabilities associated with the MII Transferred Assets, and all Liabilities primarily related to the MII Retained Business that are held by a MVWC Entity which will be assumed by the MII Entities in the Internal Reorganization or pursuant to Section 2.1(d).

"MII Balance Sheet" means the pro forma consolidated balance sheet of MII, including the notes thereto, as of the same date as the MVWC Balance Sheet, that MII will file with the SEC following the Distribution.

"MII Common Stock" means the Class A common stock, par value $0.01 per share, of MII.

"MII Entities" means the members of the MII Group.

"MII Group" means MII and each Person that will be a direct or indirect Subsidiary of MII immediately after giving effect to the Internal Reorganization and the Distribution.

"MII England Liabilities" means all Liabilities arising from the putative class action case, Robert England et al. v. Marriott International, Inc., et al., directly or indirectly.

"MII Liabilities" means the Liabilities of the MII Group (other than Taxes as provided for in the Tax Sharing and Indemnification Agreement), including all Liabilities reflected as Liabilities of MII and the other members of the MII Group on the MII Balance Sheet and any Liabilities of MII or any other member of the MII Group accrued subsequent to the date of the MII Balance Sheet that, had they accrued on or before such date and been outstanding as of such date, would have been reflected on the MII Balance Sheet if prepared on a consistent basis, subject to any satisfaction of any such Liabilities subsequent to the date of the MII Balance Sheet, fifty percent (50%) of the Form 10 Liabilities with respect to claims made in the two years following the Distribution, if any, the MII Assumed Liabilities, the MII England Liabilities and other Liabilities assumed by or assigned to the MII Group under this Agreement and the Transaction Agreements (other than the Tax Sharing and Indemnification Agreement), but excluding the MVWC Assumed Liabilities.

"MII Retained Assets" means the MII Transferred Assets and all other Assets that are expressly and specifically identified in this Agreement or any Transaction Agreement as Assets to be transferred to MII or any other member of the MII Group, including:

(a) all interests in the capital stock of, or any other equity, partnership, membership, joint venture or similar interests in, the Subsidiaries of MII (other than any member of the MVWC Group) immediately prior to the Effective Time (after giving effect to the Internal Reorganization) and any capital stock of, or equity, partnership, membership, joint venture or similar interests in, any other Person (other than any member of the MVWC Group) owned by any member of the MII Group immediately prior to the Effective Time (after giving effect to the Internal Reorganization);

(b) all Assets reflected as assets of MII and the other members of the MII Group on the MII Balance Sheet and any Assets acquired by or for MII or any other member of the MII Group subsequent to the date of the MII Balance Sheet that, had they been acquired on or before such date and owned as of such date, would have been reflected on the MII Balance Sheet if prepared on a consistent basis, subject to any dispositions of any such Assets subsequent to the date of the MII Balance Sheet; and

(c) all other Assets owned or held immediately prior to the Effective Time (after giving effect to the Internal Reorganization) by MII or any of its Subsidiaries (including for the avoidance of doubt, MVWC and its Subsidiaries) that are not MVWC Assets.

For the avoidance of doubt, the MII Retained Assets do not include any items expressly governed by the Tax Sharing and Indemnification Agreement. In the event of any inconsistency or conflict that may arise in the application or interpretation of any of the foregoing provisions, for the purpose of determining what is and is not a MII Retained Asset, any item explicitly included on a Schedule referred to in this definition of "MII Retained Assets" will take priority over any provision of the text hereof.

"MII Retained Business" means all businesses conducted by MII and its Subsidiaries, other than the MVWC Business, including (i) the ownership, development, management, operation and franchising of hotels, resorts, conference centers and executive apartments, including all hotels in the "Marriott Hotels & Resorts," "JW Marriott Hotels & Resorts," "Renaissance," "Ritz-Carlton," "EDITION," "Autograph Collection," "Courtyard by Marriott," "AC Hotels by Marriott," "Residence Inn by Marriott," "Fairfield Inn & Suites by Marriott," "Marriott Conference Centers," "TownePlace Suites by Marriott," "SpringHill Suites by Marriott," and "Marriott Executive Apartments" hotel chains; (ii) the ExecuStay corporate apartment business; (iii) the business of licensing and operating The Ritz-Carlton, Marriott and Renaissance branded residences; (iv) the ownership, development, management and operation of the Marriott Rewards and The Ritz-Carlton Rewards systems, programs, operations, databases and member information; (v) the ownership, development, management and operation of the MARSHA reservation system; and (vi) any other businesses or operations conducted through the use of the MII Retained Assets to the extent that they do not relate to the MVWC Business.

"MII Transferred Assets" means the Assets listed in Schedule II, which will be transferred to the MII Group as part of the Internal Reorganization or pursuant to Section 2.1(d).

"MVW Holdings" means MVW US Holdings, Inc., a Delaware corporation and a wholly-owned subsidiary of MVWC.

"MVW Holdings Financing" means the sale by MII of preferred stock of MVW Holdings pursuant to the MVW Holdings Financing Documents.

"MVW Holdings Financing Documents" means the Preferred Stock Purchase Agreement among MII, MVWC, MVW Holdings and the Investor(s) party thereto relating to the sale by MII of preferred stock of MVW Holdings to the Investor(s) and the Escrow Agreement relating thereto among MII, the Investor(s) party thereto and the Escrow Agent party thereto.

"MVWC Assets" means:

(a) the MVWC Transferred Assets and all other Assets that are expressly and specifically provided in this Agreement or any Transaction Agreement as Assets to be transferred to MVWC or any other member of the MVWC Group;

(b) all interests in the capital stock of, or any other equity, partnership, membership, joint venture or similar interests in, the Subsidiaries of MVWC immediately prior to the Effective Time (after giving effect to the Internal Reorganization) and any capital stock of, or equity, partnership, membership, joint venture or similar interests in, any other Person owned by any member of the MVWC Group immediately prior to the Effective Time (after giving effect to the Internal Reorganization);

(c) all Assets reflected as assets of MVWC and the other members of the MVWC Group on the MVWC Balance Sheet and any Assets acquired by or for MVWC or any other member of the MVWC Group subsequent to the date of the MVWC Balance Sheet that, had they been acquired on or before such date and owned as of such date, would have been reflected on the MVWC Balance Sheet if prepared on a consistent basis, subject to any dispositions of any such Assets subsequent to the date of the MVWC Balance Sheet; and

(d) all other Assets not expressly covered in clauses (a) through (c) of this definition of "MVWC Assets" that are owned in whole or in part by MVWC or any MVWC Entity, but not owned in part by any MII Entity, immediately prior to the Effective Time (after giving effect to the Internal Reorganization).

For the avoidance of doubt, the MVWC Assets do not include any items expressly governed by the Tax Sharing and Indemnification Agreement or licensed to MVWC under the Marriott License Agreement or the Ritz-Carlton License Agreement. In the event of any inconsistency or conflict that may arise in the application or interpretation of any of the foregoing provisions, for the purpose of determining what is and is not a MVWC Asset, any item explicitly included on a Schedule referred to in this definition of "MVWC Assets" will take priority over any provision of the text hereof.

"MVWC Assumed Liabilities" means the Liabilities listed in Schedule III, including any Liabilities on the MVWC Balance Sheet and any Liabilities primarily related to the MVWC Business that are held by a MII Entity, which will be assumed by the MVWC Entities in the Internal Reorganization or pursuant to Section 2.1(d).

"MVWC Balance Sheet" means the pro forma consolidated balance sheet of MVWC, including the notes thereto, included in the final version of the Information Statement.

"MVWC Business" means the business and operations of the MVWC Group consisting of developing, owning, selling, marketing, financing and operating timeshare, fractional, residential and related products under the Marriott Vacation Club and Grand Residences by Marriott brands; developing, owning, selling, marketing, financing and operating fractional and related products under the Ritz-Carlton Club brand and the Ritz-Carlton Destination Club brand and residential and related products under the Ritz-Carlton Residences brand to the extent provided by the Ritz-Carlton License Agreement, and in each case, all related services, operations and activities; provided, that "MVWC Business" shall not include the activities conducted by any MII Entity under the On-Site Management Agreements or the Shared Services Agreements.

"MVWC Contribution" means the transfer of assets, including equity interests of Subsidiaries, by MII to MVWC pursuant to the Internal Reorganization.

"MVWC Entities" means the members of the MVWC Group following the Internal Reorganization, and consists of MVWC and the entities shown on Schedule V.

"MVWC Group" means MVWC and each Person that would be a direct or indirect Subsidiary of MVWC immediately after giving effect to the Internal Reorganization.

"MVWC Liabilities" means the Liabilities of the MVWC Group (other than Taxes as provided for in the Tax Sharing and Indemnification Agreement), including all Liabilities reflected as Liabilities of MVWC and the other members of the MVWC Group on the MVWC Balance Sheet and any Liabilities of MVWC or any other member of the MVWC Group accrued subsequent to the date of the MVWC Balance Sheet that, had they accrued on or before such date and been outstanding as of such date, would have been reflected on the MVWC Balance Sheet if prepared on a consistent basis, subject to any satisfaction of any such Liabilities subsequent to the date of the MVWC Balance Sheet, fifty percent (50%) of the Form 10 Liabilities with respect to claims made in the two years following the Distribution Date, if any, and one hundred percent (100%) of the Form 10 Liabilities with respect to claims made on or after the second anniversary of the Distribution Date, if any, the MVWC Assumed Liabilities and the other Liabilities assumed by or assigned to the MVWC Group under this Agreement and the Transaction Agreements, but excluding the MII Assumed Liabilities.

"MVWC Transferred Assets" means the Assets listed in Schedule IV, which will be transferred to the MVWC Group as part of the Internal Reorganization or pursuant to Section 2.1(d).

"Non-Competition Agreement" means the Non-Competition Agreement, which will be effective as of the Effective Time, between MII and MVWC.

"Parent Undertaking Agreements" means the agreements listed on Schedule 1.1(a)(1), including, the Servicer Undertaking Agreements and the Seller Undertakings Agreements entered into by MII in connection with the issuance and sale of Timeshare Loan Backed Notes by members of the MVWC Group.

"Period-End Date" means November 4, 2011.

"Person" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"Privileged Information" means all Information (whether written or oral) as to which MII, MVWC or any of their Subsidiaries are entitled to assert the protection of a Privilege.

"Privileges" means all privileges that may be asserted under applicable law including privileges arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and privileges relating to internal evaluative processes.

"Rating Agencies" means (a) each of Fitch, Moody's and S&P and (b) if Fitch, Moody's and S&P all cease to rate MVWC or all fail to make a rating of MVWC publicly available for reasons outside of MVWC's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by MVWC (as certified by a resolution of the board of directors of MVWC) as a replacement agency.

"Rating Event" means MVWC's corporate rating is downgraded to a rating below "B" or "B2", as applicable, by any of the Rating Agencies on any date from and after the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the consummation of the Change of Control (which 60-day period will be extended so long as the rating of MVWC is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Reciprocal Employee Discount Agreements" means each of the Reciprocal Employee Discount Agreements between MII and MVWC, which will be effective as of the Effective Time, pursuant to which the MII Group and the MVWC Group will each make certain discounts available to employees of the other Group.

"Record Date" means the close of business on the date to be determined by the MII Board as the record date for determining the shareholders of MII entitled to receive shares of MVWC Common Stock in the Distribution.

"Record Holders" means the holders of MII Common Stock on the Record Date.

"Representatives" of any Person means such Person's directors, officers, employees, agents, accountants, counsel and other advisors and representatives.

"Resort" means a Whole Ownership Unit or VOI resort.

"Resort Documents" means the declaration of condominium, master deed, articles of incorporation for the Association, bylaws for the Association, similar organizational documents and all other documents and instruments that govern the reservation, use, and occupancy of such Resort's accommodations and facilities, as such documents are amended from time to time.

"Rewards Agreement" means the Marriott Rewards Affiliation Agreement, which will be effective as of the Effective Time, among MII, Marriott Rewards, LLC, MVWC and Marriott Ownership Resorts, Inc.

"Ritz-Carlton License Agreement" means the License, Services and Development Agreement, which will be effective as of the Effective Date, between the Ritz-Carlton Hotel Company, L.L.C. and MVWC.

"SEC" means the U.S. Securities and Exchange Commission.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Separation" means (a) the Internal Reorganization, (b) any actions to be taken pursuant to Article II and (c) any other transfers of Assets and assumptions of Liabilities, in each case, between a member of one Group and a member of the other Group, provided for in this Agreement or the Internal Reorganization Documents.

"Shared Services Agreements" means the Shared Services Agreements among an MII Entity, an MVWC Entity and third parties where applicable, that are in effect at or with respect to any property or resort at which MVWC Group members and MII Group members own assets or conduct operations and share services, facilities, utilities and amenities, including co-located hotels and timeshare resorts or co-located hotels and residences.

"Singapore Letter of Credit Reimbursement Agreement" means the Letter of Credit Reimbursement Agreement, which will be effective as of the Effective Time, between MII and MVWC.

"Special Purpose Entity" means (i) any Time Share SPV and (ii) any Association.

"Subsidiary" of any Person means (a) a corporation, more than fifty percent (50%) of the voting or capital stock of which is, as of the time in question, directly or indirectly owned by such Person or (b) a partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof or for which such Person, directly or indirectly, has the power to elect or direct the election of more than fifty percent (50%) of the members of the governing body or over which such Person otherwise has control (e.g., as the managing partner of a partnership).

"Target Working Capital" means the amount to be agreed by MII and MVWC prior to the Effective Date.

"Tax Returns" has the meaning set forth in the Tax Sharing and Indemnification Agreement.

"Tax Sharing and Indemnification Agreement" means the Tax Sharing and Indemnification Agreement effective as of the Distribution Date between MII and MVWC.

"Taxes" has the meaning set forth in the Tax Sharing and Indemnification Agreement.

"Telemarketing Services Agreement" means the Telemarketing Services Agreement effective as of the Distribution Date between MII and MVWC.

"Time Share SPV" means an entity intended to be bankruptcy-remote and which is formed for the purpose of engaging in securitization transactions and the indebtedness of which is non-recourse to other MVWC Entities.

"Transaction Agreement" means this Agreement, any Ancillary Agreement, or any other agreement entered into by a member of the MII Group or a member of the MVWC Group pursuant to this Agreement or any Ancillary Agreement.

"Transition Services Agreements" means the Omnibus Transition Services Agreement, Payroll Services Agreement, Human Resources Transition Services Agreement, Information Resources Transition Services Agreement and the Relocation Services Agreement, each of which will be effective as of the Effective Time, between MII and MVWC.

"VOI" means all interests in Destination Club Products (as defined in the Marriott License Agreement).

"Warehouse Credit Facility" means the revolving credit facility in an amount up to $300 million evidenced by that certain Amended and Restated Indenture and Servicing Agreement, dated as of September 1, 2011, among Marriott Vacations Worldwide Owner Trust 2011-1, Marriott Ownership Resorts, Inc., and Wells Fargo Bank, National Association and the other "Facility Documents" as defined therein and contemplated thereby.

"Whole Ownership Unit" means a condominium unit or subdivided lot in a Resort. The term "Whole Ownership Unit" further includes all rights, benefits, privileges, obligations and liabilities granted to or imposed upon the owner of a Whole Ownership Unit under applicable Law.

"Working Capital" means the Current Assets Accounts minus the Current Liabilities Accounts, in each case determined in accordance with GAAP, consistent with the parties' practice as of September 9, 2011 and the example agreed to by the parties hereto prior to the Distribution Date.

Section 1.2 Table of Definitions. The following terms have the meanings set forth in the Sections referenced below:

Definition	Location
AAA	Section 10.2
Agreement	Preamble
Code	Recitals
Dispute Notice	Section 10.1
Distribution	Recitals
Estimated Working Capital	Section 2.8
Expiration Date	Section 2.7(b)
Guarantor	Preamble
Guarantor Obligations	Section 12.3
Guaranty	Section 12.1
Indemnifying Party	Section 5.4(a)
Indemnitee	Section 5.4(a)
Indemnity Payment	Section 5.4(a)
Independent Accounting Firm	Section 2.9(c)
Mediation Period	Section 10.2
MII	Preamble
MII Board	Recitals
MII Indemnitees	Section 5.2
MII Released Persons	Section 5.1(a)
MVWC	Preamble
MVWC Common Stock	Recitals
MVWC Credit Support Instruments	Section 2.7(a)
MVWC Indemnitees	Section 5.3
MVWC Letters of Credit	Section 2.7(b)
MVWC Released Persons	Section 5.1(b)
MVWC Surety Bonds	Section 2.7(e)
Obligations	Section 12.1
Period-End Date Balance Sheet	Section 2.9(a)
Period-End Date Working Capital	Section 2.9(a)
Period-End Date Working Capital Statement	Section 2.9(a)
Rules	Section 10.3
Third-Party Claim	Section 5.5(a)
Third-Party Proceeds	Section 5.4(a)
Total Available Net Assets	Section 12.3
Working Capital Disagreement Notice	Section 2.9(a)
Working Capital Negotiation Period	Section 2.9(b)

ARTICLE II
THE SEPARATION

Section 2.1 Internal Reorganization; Transfer of Assets and Assumption of Liabilities.

(a) Prior to the Effective Time, the parties will cause the Internal Reorganization to be completed.

(b) Prior to the Effective Time, the parties will (i) execute such instruments of assignment and transfer and take such other corporate actions as are necessary to transfer to the MVWC Group all of the right, title and interest to all MVWC Assets after giving effect to the Internal Reorganization and (ii) take all actions necessary to cause the MVWC Group to assume all of the MVWC Assumed Liabilities to the extent that such MVWC Assumed Liabilities would otherwise remain obligations of any member of the MII Group after giving effect to the Internal Reorganization.

(c) Prior to the Effective Time, the parties will (i) execute such instruments of assignment and transfer and take such other corporate actions as are necessary to transfer to the MII Group all of the right, title and interest to all MII Retained Assets after giving effect to the Internal Reorganization and (ii) take all actions necessary to cause the MII Group to assume all of the MII Assumed Liabilities to the extent that such MII Assumed Liabilities would otherwise remain obligations of any member of the MVWC Group after giving effect to the Internal Reorganization.

(d) If after the Effective Time, it is discovered that there was an omission of the transfer or conveyance by member(s) of one Group to, and the acceptance or assumption by, member(s) of the other Group of any Asset or Liability that, had the parties given specific consideration to such Asset or Liability prior to the Effective Time, would have otherwise been so transferred or conveyed pursuant to this Agreement or the Internal Reorganization Documents, the parties will use their reasonable best efforts to promptly effect such transfer or conveyance of such Asset or Liability. The parties will for all purposes treat any transfer or conveyance made pursuant to this Section 2.1(d) as if it had occurred immediately prior to the Effective Time.

(e) If after the Effective Time, it is discovered that there was a transfer or conveyance by member(s) of one Group to, and the acceptance or assumption by, members of the other Group of any Asset or Liability that was intended to be retained by the transferring or conveying party pursuant to this Agreement or the Internal Reorganization Documents, the parties will use their reasonable best efforts to promptly transfer or convey such Asset or Liability back to the transferring or conveying party. The parties will for all purposes treat any transfer or conveyance made pursuant to this Section 2.1(e) as if such Asset or Liability had never been originally transferred or conveyed.

Section 2.2 Governmental Approvals and Consents.

(a) To the extent that any of the transactions contemplated by this Agreement or any Transaction Agreement requires any Governmental Approval or Consent, the parties will use their reasonable best efforts to obtain such Governmental Approval or Consent.

(b) To the extent that any transfer or assignment of Assets or assumption of Liabilities contemplated by this Agreement or any Transaction Agreement is not consummated prior to the Effective Time, the parties will use their reasonable best efforts to effect such transfers as promptly following the Effective Time as practicable. Nothing in this Agreement will be deemed to require the transfer of any Assets or the assumption of any Liabilities that by their terms or operation of Law cannot be transferred. In the event that any such transfer of Assets or assumption of Liabilities is not consummated, from and after the Effective Time until such time as such Asset is transferred or such Liability is assumed (i) the party retaining such Asset will thereafter hold such Asset for the use and benefit of the party entitled thereto (at the expense of the party entitled thereto) and (ii) the party intended to assume such Liability will pay or reimburse the party retaining such Liability for all amounts paid or incurred in connection with the retention of such Liability. In addition, the party retaining such Asset or Liability will, insofar as reasonably practicable and to the extent permitted by applicable Law, treat such Asset or Liability in the ordinary course of business consistent with past practice and take such other actions as may be reasonably requested by the party entitled to such Asset or by the party intended to assume such Liability in order to place such party, insofar as reasonably practicable, in the same position as if such Asset or Liability had been transferred or assumed as contemplated hereby and so that all the benefits and burdens relating to such Asset or Liability, including possession, use, risk of loss, potential for gain, and control over such Asset or Liability, are to inure from and after the Effective Time to the member or members of the MII Group or the MVWC Group entitled to such Asset or intended to assume such Liability. In furtherance of the foregoing, the parties agree that, as of the Effective Time, each party will be deemed to have acquired beneficial ownership over all of the Assets, together with all rights and privileges incident thereto, and will be deemed to have assumed all of the Liabilities, and all duties, obligations and responsibilities incident thereto, that such party is entitled to acquire or intended to assume pursuant to the terms of this Agreement or the applicable Transaction Agreement.

(c) If and when the Consents, Governmental Approvals and/or conditions, the absence or non-satisfaction of which caused the deferral of transfer or assignment of any Asset or the deferral of the assumption of any Liability pursuant to Section 2.2(b) are obtained or satisfied, the transfer or assumption of the applicable Asset or Liability will be effected in accordance with and subject to the terms of this Agreement or the applicable Transaction Agreement.

(d) The party retaining any Asset or Liability due to the deferral of the transfer of such Asset or the deferral of the assumption of such Liability pursuant to Section 2.2(b) or otherwise will not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced or agreed to be reimbursed by the party entitled to such Asset or the party intended to assume such Liability. The party retaining such Asset or Liability will use its reasonable best efforts to notify the party entitled to such Asset or intended to assume such Liability of the need for such expenditure.

(e) The parties agree to treat, for all tax purposes, any Asset or Liability that is not transferred prior to the Effective Time and is subject to the provisions of Section 2.2(b) as owned by the member of the Group to which such Asset or Liability was intended to be transferred from and after the Effective Time, and the parties will not take any position inconsistent therewith unless otherwise required by applicable Law (in which case, the transferee Group will indemnify the transferring Group for any Taxes attributable to the Asset or Liability during the period beginning on day following the Effective Time and ending on the date of the actual transfer, provided, however, that any Taxes in respect of the actual transfer shall be paid by MII).

(f) After the Effective Time, either party (or any member of its Group) may receive mail, packages and other communications properly belonging to the other party (or any member of its Group). Accordingly, at all times after the Effective Time, each party authorizes the other party to receive and open all mail, packages and other communications received by such party, subject to the confidentiality provisions and restrictions in Section 7.8 and to the extent that they do not relate solely to the business of the receiving party, the receiving party will promptly deliver such mail, packages or other communications to the other party as provided for in Section 7.8. The provisions of this Section 2.2(f) are not intended to, and will not, be deemed to constitute an authorization by any party to permit the other to accept service of process on its behalf and no party is or will be deemed to be the agent of any other party for service of process purposes.

Section 2.3 Termination of Agreements.

(a) Except as set forth in Section 2.3(b), the MVWC Entities, on the one hand, and the MII Entities, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among any MVWC Entity, on the one hand, and any MII Entity, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof that purports to survive termination) will be of any further force or effect from and after the Effective Time. Each party will, at the reasonable request of any other party, take such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.3(a) will not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):

(i) this Agreement and the Transaction Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Transaction Agreement to be entered into by any of the parties or any MVWC Entities and MII Entities);

(ii) except as otherwise provided in the Tax Sharing and Indemnification Agreement, any written Tax sharing or Tax allocation agreements to which any member of any Group is a party;

(iii) any agreements, arrangements, commitments or understandings to which any Special Purpose Entity or any third party, including any non-wholly owned Subsidiary or non-wholly owned Affiliate of MII or MVWC, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned);

(iv) any agreements, arrangements, commitments, concessions or understandings whether or not in writing, by any MVWC Entities and MII Entities which is a "Property-Level Agreement," including, but not limited to agreements for marketing or sales activities at a particular property, room block or similar accommodation agreements at a particular property, operational services or support arrangements at a particular property and agreements for sharing services, utilities, facilities, equipment and/or amenities at a particular property or between or among proximate or contiguous properties. For purposes hereof, a "Property-Level Agreement" shall mean any agreement, arrangement, commitment, concession or understanding, whether or not in writing, intended to apply to a specific property (or properties) only, but which is not intended to have brand, corporate or business-line application;

(v) any confidentiality or non-disclosure agreements among any members of either Group or employees of any member of either Group, including any obligation not to disclose proprietary or privileged information;

(vi) the Parent Undertaking Agreements;

(vii) the Shared Services Agreements; and

(viii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.3(b)(viii), if any.

(c) Other than Liabilities for payment and /or reimbursement for costs and other fees and charges relating to services provided by any MII Entity to any MVWC Entity, or vice versa, in the ordinary course of business prior to Effective Time and except as otherwise expressly and specifically provided in this Agreement or any Transaction Agreement, all intercompany receivables, payables, loans and other accounts between any MII Entity, on the one hand, and any MVWC Entity, on the other hand, in existence as of immediately prior to the Effective Time (other than any Liability of a MVWC Entity to a MII Entity in connection with the Marriott Rewards Program as described in the Rewards Agreement) and after giving effect to the Internal Reorganization, will be satisfied and/or settled by the relevant members of the MII Group and the MVWC Group no later than the Effective Time by (i) forgiveness by the relevant obligor or (ii) one or a related series of repayments, distributions of and/or contributions to capital, in each case as determined by MII.

Section 2.4 Novation of MVWC Assumed Liabilities.

(a) Each of MII and MVWC, at the written request of the other party, will use its reasonable best efforts to obtain any release, Consent, substitution or amendment required to novate or assign all rights and obligations under any agreements,

leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute MVWC Assumed Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any MVWC Entities, so that, in any such case, MVWC and the other MVWC Entities will be solely responsible for such MVWC Assumed Liabilities; provided, however, that none of the MII Entities or the MVWC Entities will be obligated to pay any consideration (unless such consideration is advanced by the party requesting such release, Consent, substitution or amendment) or surrender, release or modify any rights or remedies therefor to any third party from whom such releases, Consents, substitutions and amendments are requested except as expressly set forth in this Agreement or any Transaction Agreement.

(b) If MII or MVWC is unable to obtain any required release, Consent, substitution or amendment as described in Section 2.4(a), the applicable MII Entity will continue to be bound by such agreements, leases, licenses and other obligations or other Liabilities and, unless not permitted by Law, a MVWC Entity will, as agent or subcontractor for such MII Entity, pay, perform and discharge fully all the obligations or other Liabilities of such MII Entity thereunder from and after the Effective Time. MVWC will indemnify each MII Indemnitee and hold it harmless against any Liabilities arising in connection therewith; provided, that MVWC will have no obligation to indemnify any MII Entity with respect to any matter to the extent that such MII Entity has engaged in any knowing violation of Law, fraud or intentional misrepresentation in connection therewith where such violation of Law, fraud or intentional misrepresentation gave rise to or increased the amount of such Liability. MII will promptly pay and remit to the applicable MVWC Entity, all money, rights and other consideration received by any MII Entity (net of any applicable expenses) in respect of such performance by such MVWC Entity (unless any such consideration is a MII Retained Asset). If and when any such release, Consent, substitution, approval or amendment is obtained or such agreement, lease, license or other rights, obligations or other Liabilities otherwise become assignable or able to be novated, MII will thereafter assign all of the MII Entities' rights, obligations and other Liabilities thereunder to the applicable MVWC Entity without payment of any further consideration and the applicable MVWC Entity will, without the payment of any further consideration, assume such rights, obligations and other Liabilities.

Section 2.5 Novation of MII Assumed Liabilities.

(a) Each of MII and MVWC, at the written request of the other party, will use its reasonable best efforts to obtain any release, Consent, substitution or amendment required to novate or assign all rights and obligations under any agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute MII Assumed Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any MII Entities, so that, in any such case, MII and the other MII Entities will be solely responsible for such MII Assumed Liabilities; provided, however, that none of the MII Entities or the MVWC Entities will be obligated to pay any consideration (unless such consideration is advanced by the party requesting such release, Consent, substitution or amendment) or surrender, release or modify any rights or remedies therefor to any third party from whom such releases, Consents, substitutions and amendments are requested except as expressly set forth in this Agreement or any Transaction Agreement.

(b) If MII or MVWC is unable to obtain any required release, Consent, substitution or amendment as described in Section 2.5(a), the applicable MVWC Entity will continue to be bound by such agreements, leases, licenses and other obligations or other Liabilities and, unless not permitted by Law, a MII Entity will as agent or subcontractor for such MVWC Entity, pay, perform and discharge fully all the obligations or other Liabilities of such MVWC Entity thereunder from and after the Effective Time. MII will indemnify each MVWC Indemnitee and hold it harmless against any Liabilities arising in connection therewith provided, that MII will have no obligation to indemnify any MVWC Entity with respect to any matter to the extent that such MVWC Entity has engaged in any knowing violation of Law, fraud or intentional misrepresentation in connection therewith where such violation of Law, fraud or intentional misrepresentation gave rise to or increased the amount of such Liability. MVWC will promptly pay and remit to the applicable MII Entity, all money, rights and other consideration received by any MVWC Entity (net of any applicable expenses) in respect of such performance by such MII Entity (unless any such consideration is a MVWC Asset). If and when any such release, consent, substitution, approval or amendment is obtained or such agreement, lease, license or other rights, obligations or other Liabilities otherwise become assignable or able to be novated, MVWC will thereafter assign all of the MVWC Entities' rights, obligations and other Liabilities thereunder to the applicable MII Entity without payment of any further consideration and the applicable MII Entity will, without the payment of any further consideration, assume such rights, obligations and other Liabilities.

Section 2.6 Disclaimer of Representations and Warranties. Each of MII (on behalf of itself and each other MII Entity) and MVWC (on behalf of itself and each other MVWC Entity other than Special Purpose Entities) understands and agrees that, except as expressly set forth herein or in any Transaction Agreement, no party (including its Affiliates) to this Agreement, any Transaction Agreement or any other agreement or document contemplated by this Agreement, any Transaction Agreement or otherwise, is making any representations or warranties relating in any way to the Assets, businesses or Liabilities transferred or assumed as contemplated hereby or thereby, to any Consent required in connection therewith, to the value or freedom from any Security Interests of, or any other matter concerning, any Assets of such party, or to the absence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any party, or to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing of this Agreement or of any Transaction Agreement. Except as may expressly be set forth herein or in any Transaction Agreement, (a) all such Assets are being transferred on an "as is," "where is" basis (and, in the case of any real property, by means of a quitclaim or similar form of deed or conveyance), (b) any implied warranty of merchantability, fitness for a specific purpose or otherwise is hereby expressly disclaimed, (c) the respective transferees will bear the economic and legal risks that (1) any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest and (2) any necessary Consents are not obtained or any requirements of Law are not complied with and

(d) none of the MII Entities or the MVWC Entities (including their respective Affiliates) or any other Person makes any representation or warranty with respect to any information, documents or material made available in connection with the Separation or the Distribution, or the entering into of this Agreement or any Transaction Agreement or the transactions contemplated hereby or thereby, except as expressly set forth in this Agreement or any Transaction Agreement.

Section 2.7 Replacement of Credit Support.

(a) MVWC will use its reasonable best efforts to arrange, at its cost and expense and effective at or prior to the Effective Time, the replacement of the Credit Support Instruments identified or referred to on Schedule 2.7 relating to the MVWC Business and provided by or through MII or any member of the MII Group for the benefit of any member of the MVWC Group (the "MVWC Credit Support Instruments") with alternate arrangements that do not require any credit support from MII or any member of the MII Group, and will use its reasonable best efforts to obtain from the beneficiaries of such MVWC Credit Support Instruments either the cancelled and returned Credit Support Instruments or written releases indicating that MII or the applicable member of the MII Group will, effective upon the Effective Time, have no liability with respect to such MVWC Credit Support Instruments. MII shall reasonably cooperate with MVWC in arranging for replacements of or alternatives to the MVWC Credit Support Instruments.

(b) Except as set forth in Sections 2.7(c) and (d), in the event that MVWC has not replaced any of the letters of credit set forth on Schedule 2.7 and obtained the cancelled and returned letters of credit or written releases described in Section 2.7(a) on or prior to the Effective Time, MII will maintain such letters of credit (the "MVWC Letters of Credit"), until the "Expiration Date," of such MVWC Letter of Credit, which means for each MVWC Letter of Credit the first to occur of (i) its expiration or renewal (including any automatic or "evergreen" renewal) or (ii) the first anniversary of the Distribution Date. With respect to each MVWC Letter of Credit, during the period beginning on the Distribution Date and ending on the date MII no longer maintains such MVWC Letter of Credit, MVWC will reimburse MII for the cost of such MVWC Letter of Credit at the greater of (x) a rate of 150 basis points per annum on the outstanding face amount of such MVWC Letter of Credit or (y) MII's demonstrated actual cost of maintaining such MVWC Letter of Credit. In addition, if a beneficiary draws under a MVWC Letter of Credit while such MVWC Letter of Credit is maintained by MII, MVWC will also reimburse MII as soon as possible, but no later than five (5) Business Days of being notified of such draw for the amount of such draw, plus interest thereon from the date of such draw at a rate of LIBOR plus 350 basis points. MVWC acknowledges that it is solely responsible for the MVWC Letters of Credit and that except as otherwise set forth in Sections 2.7(c) and (d) MII does not intend to renew any MVWC Letter of Credit or maintain such MVWC Letter of Credit beyond the applicable Expiration Date. MII and MVWC shall provide a joint notice of non-renewal to the applicable beneficiaries according to the terms of each MVWC Letter of Credit and of MVWC's intent to provide a replacement letter of credit. Except as set forth in Sections 2.7(c) and (d), if MVWC is unable to replace any MVWC Letter of Credit by the applicable Expiration Date, MVWC will take all necessary actions to satisfy the applicable beneficiary and cause such MVWC Letter of Credit to be cancelled as of or prior to such Expiration Date.

(c) Notwithstanding Section 2.7(b), if MVWC is acting in good faith to replace the MVWC Letters of Credit relating to Italian VAT refunds that expire after the Expiration Date, but is unable to replace any such MVWC Letter of Credit prior to or as of the applicable Expiration Date, MII will continue to maintain such MVWC Letter of Credit in accordance with Section 2.7(b) until the expiration of such MVWC Letter of Credit. If MVWC is not able to cause any such MVWC Letter of Credit to be cancelled as of or prior to the applicable Expiration Date, MVWC shall pay MII a fee equal to 350 basis points per annum on the total face amount of such MVWC Letter of Credit.

(d) If MVWC is not able to cause the Letter of Credit in the amount of AED 1,000,000 relating to MVWC's Dubai Sales Office to be cancelled as of or prior to the applicable Expiration Date, MVWC shall pay MII a per annum fee on the total face amount of such MVWC Letter of Credit equal to (i) 150 basis points until the first anniversary of the Distribution Date, and (ii) 350 basis points thereafter. If MVWC is not able to cause such Letter of Credit to be cancelled prior to the applicable Expiration Date, MII will renew such Letter of Credit for one additional year so that the new expiration date of this Letter of Credit is February 18, 2013. MVWC will take all necessary actions to cause the renewed Letter of Credit to be cancelled and provide a replacement letter of credit prior to its expiration on February 18, 2013. MVWC acknowledges that MII does not intend to renew this letter of credit beyond the February 18, 2013 expiration date.

(e) MVWC will use its reasonable best efforts to arrange, at its cost and expense and effective at or prior to the Effective Time, the replacement of any surety, performance or similar bond relating to the MVWC Business and provided by or through MII or any member of the MII Group for the benefit of any member of the MVWC Group (the "MVWC Surety Bonds") with alternate arrangements that do not require any support or maintenance from MII or any member of the MII Group, and will use its reasonable best efforts to obtain from the beneficiaries of such MVWC Surety Bonds written releases indicating that MII or the applicable member of the MII Group will, effective upon the Effective Time, have no liability with respect to such MVWC Surety Bonds. With respect to each MVWC Surety Bond, during the period beginning on the Distribution Date and ending on the date MII no longer maintains such MVWC Surety Bond, MVWC will reimburse MII for the cost of such MVWC Surety Bond at MII's demonstrated actual cost of maintaining such MVWC Surety Bond. If MVWC has not replaced any such MVWC Surety Bond and obtained all related written releases on or prior to the first anniversary of the Effective Time, then MVWC will pay to MII an amount equal to the cost that MVWC would have to pay to obtain such a bond from a third party.

Section 2.8 Pre-Distribution Date Working Capital True-Up Payment. At least 5 Business Days prior to the Period-End Date, MII and MVWC shall jointly prepare and agree to an estimate of Working Capital as of the close of business on the Period-End Date (the "Estimated Working Capital"), together with a reasonably detailed explanation of the calculation thereof, prepared in accordance with GAAP applied on a basis consistent with the preparation of the MVWC Balance Sheet. On or before the Period-End Date, MII shall

deposit with MVWC an amount agreed to by the parties in connection with the determination of Target Working Capital. For the avoidance of doubt, the parties agree that Target Working Capital reflects a deduction for the portion of costs incurred by MII in connection with the transactions contemplated by this Agreement and the Transaction Documents that the parties have agreed that MVWC shall bear.

Section 2.9 Post-Distribution Working Capital True-Up Payment.

(a) Within 120 days following the Distribution Date, MVWC shall prepare and deliver to MII an unaudited combined balance sheet of MVWC and its Subsidiaries as of the Period-End Date (the "Period-End Date Balance Sheet") and a statement of Working Capital as of the close of business on the Period-End Date (the "Period-End Date Working Capital"), together with a reasonably detailed explanation of the calculation thereof, the amount of each Current Liabilities Account and each Current Assets Account included therein to be determined in accordance with GAAP applied on a basis consistent with the preparation of the MVWC Balance Sheet (the "Period-End Date Working Capital Statement"). During the 60 days following the delivery of the Period-End Date Working Capital Statement to MII, MVWC will cooperate with MII and its Representatives to provide them with reasonable access, during normal business hours and upon reasonable prior notice, to the personnel, properties, books and records of MVWC and its Subsidiaries used in preparing the Period-End Date Balance Sheet and the Period-End Date Working Capital Statement. The Period-End Date Balance Sheet and Period-End Date Working Capital Statement shall become binding on the sixtieth day following delivery thereof, unless prior to the end of such period, MII delivers to MVWC a written notice of its disagreement (a "Working Capital Disagreement Notice") specifying the nature and amount of any disputed item.

(b) During the 15 day period following delivery of a Working Capital Disagreement Notice by MII to MVWC (such 15 day period, the "Working Capital Negotiation Period"), MVWC and MII in good faith shall seek to resolve in writing any differences that they have with respect to the matters specified in the Working Capital Disagreement Notice. During the Working Capital Negotiation Period, MII shall reasonably cooperate with MVWC and its Representatives to provide them with the relevant information used in preparing the Working Capital Disagreement Notice reasonably requested by MVWC or its Representatives and reasonably available to MII. Any disputed items resolved in writing between MII and MVWC within the Working Capital Negotiation Period shall be final and binding with respect to such items, and if MVWC and MII agree in writing on the resolution of each disputed item specified by MII in the Working Capital Disagreement Notice, the Period-End Date Balance Sheet and the Period-End Date Working Capital Statement so determined shall be final and binding on the parties hereto for all purposes hereunder.

(c) If MVWC and MII have not resolved all such differences by the end of the Working Capital Negotiation Period, MII and MVWC shall submit, in writing, to Ernst & Young LLP (the "Independent Accounting Firm"), their briefs detailing their views as to the nature and amount of each item remaining in dispute and the calculation of Period-End Date Working Capital, and the Independent Accounting Firm shall make a

written, reasoned determination as to each such disputed item and the calculation of Period-End Date Working Capital, which determination shall be final and binding on the parties hereto for all purposes hereunder. MVWC and MII shall submit their written briefs to the Independent Accounting Firm on or before the date that is 10 Business Days after the later of (i) the end of the Working Capital Negotiation Period or (ii) the date MVWC and MII select a new Independent Accounting Firm if the previously selected Independent Accounting Firm is unable or unwilling to act. If one party submits its written brief in accordance with this Section 2.9 but the other party fails to do so, the parties shall be deemed to have agreed with the positions taken by the party that submitted a brief in accordance with this Section 2.9. The Independent Accounting Firm shall be authorized to resolve only those items remaining in dispute between the parties hereto in accordance with the standards set forth in this Section 2.9 within the range of the difference between MII's position with respect thereto and MVWC's position with respect thereto. The determination of the Independent Accounting Firm shall be based solely on the briefs submitted by the parties hereto and any other information the Accounting Firm reasonably requests based on such briefs, but not on independent review, and shall be accompanied by a certificate of the Independent Accounting Firm that it reached such determination in accordance with the provisions of this Section 2.9. If Ernst & Young LLP is unable or unwilling to act as the Independent Accounting Firm, the Independent Accounting Firm shall be such other reputable independent public accounting firm as shall be agreed in writing by MII and MVWC within 5 Business Days of notice from Ernst & Young LLP that it is unable or unwilling to act as the Independent Accounting Firm. MVWC and MII shall use their reasonable best efforts to cause the Independent Accounting Firm to render a written decision resolving the matters submitted to it within 20 Business Days following the submission thereof. Judgment may be entered upon the written determination of the Independent Accounting Firm in any court referred to in Section 10.3. The fees and expenses of the Independent Accounting Firm shall be borne equally by MVWC and MII. The fees and disbursements of the Representatives of each party incurred in connection with the preparation or review of the Period-End Date Balance Sheet and calculation of Period-End Date Working Capital and preparation or review of any Working Capital Disagreement Notice, as applicable, shall be borne by such party.

(d) If the Period-End Date Working Capital, as finally determined, is less than the Target Working Capital, MII shall pay to MVWC a payment equal to the amount of such shortfall within 10 Business Days of the final determination of the Period-End Date Working Capital; if the Period-End Date Working Capital, as finally determined, is greater than Target Working Capital, MVWC shall pay to MII a payment equal to the amount of such excess within 10 Business Days of the final determination of the Period-End Date Working Capital. Either MII or MVWC, as applicable, may pay any amount owed to the other pursuant to this Section 2.9(d) that is not in dispute prior to the payment date set forth in this Section 2.9(d). To the extent a payment is required to be made to MII pursuant to Section 2.9(e), the amount of such payment shall be taken into consideration when determining the amount of any payment required by this Section 2.9(d).

(e) Prior to the Effective Date, MVWC and MII shall agree in writing to a process that will permit MII to continue to benefit, directly or indirectly, from the results of the MVWC Business during the period between the Period-End Date and the Effective Date. MVWC and MII will memorialize this process in the Estimated Working Capital and detailed explanation and calculation referred to in Section 2.8, or in a separately agreed upon instrument.

(f) Any payment due under this Section 2.9 shall bear interest from the Distribution Date to the date of such payment at a rate per annum equal to LIBOR plus 200 basis points, calculated on the basis of a year of 365 days and the number of days elapsed. Payments in respect of Section 2.9 shall be made within 10 Business Days of the final determination of Period-End Date Working Capital pursuant to the provisions of this Section 2.9 by wire transfer of U.S. dollars in immediately available funds to such account or accounts as may be designated in writing by the party entitled to such payment at least 2 Business Days prior to such payment date.

ARTICLE III
ACTIONS PENDING THE DISTRIBUTION

Section 3.1 Actions Prior to the Distribution.

(a) Subject to the conditions specified in Section 3.2 and subject to Section 4.3, each of the parties will use its reasonable best efforts to consummate the Distribution. Such actions will include those specified in this Section 3.1.

(b) Prior to the Distribution, each of the parties will execute and deliver all Transaction Agreements to which it is a party and cause its Affiliates to execute and deliver any Transaction Agreements to which such Persons are parties.

(c) Prior to the Distribution, MVWC will mail the Information Statement to the Record Holders.

(d) MVWC will prepare, file with the SEC and use its reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement or any of the Transaction Agreements.

(e) Each of the parties will take all such actions, if any, as may be necessary or appropriate under the securities or blue sky Laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(f) MVWC will prepare and file, and use reasonable best efforts to have approved prior to the Distribution, an application for the listing on the Exchange of the MVWC Common Stock to be distributed in the Distribution, subject to official notice of listing.

(g) Prior to the Distribution, MII will take all necessary action to cause the board of directors of MVWC to consist of the individuals identified in the Information Statement as directors of MVWC.

(h) Prior to the Distribution, MII will deliver or cause to be delivered to MVWC resignations, effective as of immediately after the Distribution, of each individual who will be an employee of any MII Entity after the Distribution and who is an officer or director of any MVWC Entity immediately prior to the Distribution from such MVWC Entity position or positions, other than the resignation of Deborah Marriott Harrison from her position as a MVWC director.

(i) Prior to the Distribution, MVWC will deliver or cause to be delivered to MII resignations, effective as of immediately after the Distribution, of each individual who will be an employee of any MVWC Entity after the Distribution and who is an officer or director of any MII Entity immediately prior to the Distribution from such MII Entity position or positions.

(j) Immediately prior to the Distribution, the certificate of incorporation and bylaws of MVWC, each in substantially the form filed as an exhibit to the Form 10, will be in effect.

(k) The parties will, subject to Section 4.3, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 3.2 to be satisfied and to effect the Distribution on the Distribution Date.

Section 3.2 Conditions to Distribution. The obligations of the parties to consummate the Distribution will be conditioned on the satisfaction, or waiver by the MII Board, of the following conditions:

(a) The MII Board will, in its sole and absolute discretion have authorized and approved the Separation, Internal Reorganization (other than the MVW Holdings Financing) and the Distribution and not withdrawn such authorization and approval, and will have declared the dividend of MVWC Common Stock to the Record Holders.

(b) Each Ancillary Agreement will have been executed and delivered by each Person that is a party thereto.

(c) The Form 10 shall have become effective under the Exchange Act, no stop order suspending that effectiveness will be in effect, and no proceedings for such purpose will be pending before or threatened by the SEC.

(d) The MVWC Common Stock will have been accepted for listing on the Exchange, subject to official notice of issuance.

(e) A private letter ruling from the IRS in form and substance reasonably satisfactory to MII, will have been obtained to the effect that, on the basis of the facts, representations and assumptions set forth in the written request for such ruling which are consistent with the state of the facts existing at the time of the Distribution, among other things, that (i) the MVWC Contribution followed by the Distribution will constitute a reorganization under Section 368(a)(1)(D) of the Code, (ii) no gain or loss will be recognized by (and no amount will otherwise be included in the income of) the

shareholders of MII upon their receipt of MVWC Common Stock pursuant to the Distribution under Section 355 of the Code, except for cash received in lieu of fractional shares of MVWC Common Stock and (iii) no gain or loss will be recognized by MII in respect of the MVWC Contribution and upon the distribution of MVWC Common Stock to its shareholders in the Distribution under Sections 355 and 361 of the Code, and the ruling will, as of the Distribution Date, remain in full force and effect and will not have been modified or amended in any respect adversely affecting the tax consequences set forth therein.

(f) MII will have received the written opinion of Shearman & Sterling LLP dated the Distribution Date in form and substance acceptable to MII (which opinion will remain in full force and effect and which may rely upon the effectiveness of the private letter ruling referred to in Section 3.2(e)), substantially to the effect that among other things, (i) the MVWC Contribution followed by the Distribution will constitute a reorganization under Section 368(a)(1)(D) of the Code, (ii) no gain or loss will be recognized by (and no amount will otherwise be included in the income of) the shareholders of MII upon their receipt of MVWC Common Stock pursuant to the Distribution under Section 355 of the Code, except for cash received in lieu of fractional shares of MVWC Common Stock and (iii) no gain or loss will be recognized by MII in respect of the MVWC Contribution and upon the distribution of MVWC Common Stock to its shareholders in the Distribution under Sections 355 and 361 of the Code.

(g) The Internal Reorganization (other than the MVW Holdings Financing) will have been completed.

(h) No order, injunction or decree that would prevent the consummation of the Distribution will be threatened, pending or issued (and still in effect) by any Governmental Authority of competent jurisdiction, no other legal restraint or prohibition preventing the consummation of the Distribution will be in effect, and no other event will have occurred or failed to occur that prevents the consummation of the Distribution.

(i) No other events or developments will have occurred prior to the Distribution that, in the judgment of the MII Board, would result in the Distribution not being in the best interest of MII or the stockholders of MII, or that it is not advisable for MVWC to separate from MII.

(j) The actions set forth in Sections 3.1(c), (g), (h), and (j) will have been completed.

(k) Any material Governmental Approvals and other Consents necessary to consummate the Distribution or any portion thereof will have been obtained and be in full force and effect.

(l) MVWC will have entered into the Corporate Credit Facility and the Warehouse Credit Facility as of or prior to the Distribution and made the draws thereunder contemplated to be made prior to the Distribution.

(m) The MII Board will have received an opinion, in form and substance acceptable to MII, as to the solvency of MII and MVWC.

The foregoing conditions may only be waived by the MII Board, in its sole and absolute discretion, are for the sole benefit of MII and will not give rise to or create any duty on the part of the MII Board to waive or not waive such conditions or in any way limit the right of termination of this Agreement set forth in Article X or alter the consequences of any such termination from those specified in Article X. Any determination made by the MII Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 will be conclusive.

ARTICLE IV
THE DISTRIBUTION

Section 4.1 The Distribution.

(a) Each party hereto will cooperate with the other party to accomplish the Distribution and will use its reasonable best efforts to promptly take any and all actions necessary or desirable to effect the Distribution. Each of the parties will provide to the Agent all share documents and information required to complete the Distribution.

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, for the benefit of and distribution to the Record Holders, MII will deliver to the Agent all of the issued and outstanding shares of MVWC Common Stock then owned by MII or any other MII Entity and book-entry authorizations for such shares and (ii) on the Distribution Date, MII will instruct the Agent to distribute, by means of a *pro rata* dividend, to each Record Holder (or such Record Holder's bank or brokerage firm on such Record Holder's behalf) electronically, by direct registration in book-entry form, the number of whole shares of MVWC Common Stock to which such Record Holder is entitled based on the Distribution Ratio. The Distribution will be effective at the Effective Time. On or as soon as practicable after the Distribution Date, the Agent will mail an account statement indicating the number of shares of MVWC Common Stock that have been registered in book-entry form in the name of each Record Holder.

(c) With respect to the shares of MVWC Common Stock remaining with the Agent 180 days after the Distribution Date, the Agent will deliver any such shares as directed by MVWC, with the consent of MII (which consent will not be unreasonably withheld or delayed).

Section 4.2 Fractional Shares.

(a) MII will direct the Agent, as soon as practicable after the Distribution Date, to (a) determine the number of whole shares and fractional shares of MVWC Common Stock allocable to each Record Holder, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions or otherwise as determined by the Agent at then prevailing trading prices on behalf of Record Holders that would otherwise be entitled to fractional share interests and

(c) distribute to each such Record Holder, or for the benefit of each beneficial owner of fractional shares, such Record Holder or beneficial owner's ratable share of the net proceeds of such sales, based upon the weighted average gross selling price per share of MVWC Common Stock after making appropriate deductions for any amount required to be withheld under applicable Law and less any applicable transfer, stock transfer, stamp or similar Taxes. MVWC will be responsible for payment of any brokerage fees associated with such sales. None of MII, MVWC or the Agent will guarantee any minimum sale price for the fractional shares of MVWC Common Stock. Neither MII nor MVWC will pay any interest on the proceeds from the sale of such shares.

Section 4.3 Sole Discretion of the MII Board. The MII Board will, in its sole and absolute discretion, determine the Record Date, the Effective Date, the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, and notwithstanding anything to the contrary set forth below, the MII Board, in its sole and absolute discretion, may at any time and from time to time until the Distribution Date decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

ARTICLE V
MUTUAL RELEASES; INDEMNIFICATION

Section 5.1 Release of Pre-Distribution Claims.

(a) Except as provided in Section 5.1(c) or elsewhere in this Agreement or any Transaction Agreement, effective as of the Effective Time, MVWC does hereby, for itself and each wholly owned MVWC Entity and their respective Affiliates (other than Special Purpose Entities), predecessors, successors and assigns, and all Persons that at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of MVWC or any such MVWC Entity (in each case, in their respective capacities as such), remise, release and forever discharge each MII Entity, their respective Affiliates, successors and assigns, and all Persons that at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of MII or any such wholly owned MII Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "MII Released Persons"), from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, whether or not known as of the Effective Time, including in connection with the transactions and all other activities to implement the Separation or the Distribution.

(b) Except as provided in Section 5.1(c) or elsewhere in this Agreement or any Transaction Agreement, effective as of the Effective Time, MII does hereby, for itself and each wholly owned MII Entity and their respective Affiliates, predecessors, successors and assigns, and all Persons that at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of MII or any such MII Entity (in each case, in their respective capacities as such), remise, release and forever discharge each MVWC Entity, their respective Affiliates, successors and assigns, and all Persons that at any time prior to the Effective Time have been stockholders, directors, officers, members, agents or employees of MVWC or any such MVWC Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "MVWC Released Persons"), from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time Date, whether or not known as of the Effective Time, including in connection with the transactions and all other activities to implement the Separation or the Distribution.

(c) Nothing contained in Sections 5.1(a) or 5.1(b) will impair any right of any Person to enforce this Agreement, any Transaction Agreement, including the applicable Schedules hereto and thereto, or any arrangement that is not to terminate as of the Distribution, as specified in Section 2.3(b). Nothing contained in Sections 5.1(a) or 5.1(b) will release any Person from:

(i) any Liability provided in or resulting from any agreement among any MII Entities and any MVWC Entities that will not terminate as of the Effective Time, as specified in Section 2.3(b), or any other Liability that is not to terminate as of the Effective Time, as specified in Section 2.3(b);

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with this Agreement or any Transaction Agreement;

(iii) any Liability for payment for goods, services or property purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time or any related refund claims; or

(iv) any Liability the release of which would result in the release of any Person other than a MII Released Person or a MVWC Released Person; provided that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any MII Released Person or MVWC Released Person, as applicable, with respect to any Liability to the extent that such MII Released Person or MVWC Released Person would have been released with respect to such Liability by Section 5.1(a) or Section 5.1(b), respectively, but for the provisions of this clause (iv).

(d) MVWC will not make, and will not permit any other MVWC Entity to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any MII Entity, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). MII will not make, and will not permit any other MII Entity to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any MVWC Entity, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) At any time, at the request of any other party, each party will cause each member of its respective Group to execute and deliver releases in form reasonably satisfactory to the other party reflecting the provisions of this Section 5.1. The agreements or other documents governing any future disposition of a MII or MVWC Subsidiary will provide, for the benefit of the MII Released Persons and the MVWC Released Persons, as applicable, that the disposed Subsidiary agrees to provide such release upon request of MVWC or MII, as applicable.

Section 5.2 Indemnification by MVWC . Subject to Section 5.4, following the Effective Time, MVWC will indemnify, defend and hold harmless MII, each MII Entity and its Affiliates and each of their and their Affiliates' respective current, former and future directors, officers and employees and agents, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "MII Indemnitees"), from and against any and all Liabilities of the MII Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the MVWC Business, including the failure of MVWC or any other MVWC Entity or any other Person to pay, perform or otherwise promptly discharge any Liability relating to or arising out of or resulting from the MVWC Business in accordance with its terms, whether prior to or after the Effective Time (but not including the MII Transferred Assets and MII Assumed Liabilities);

(b) the operation or conduct of any business conducted by any member of the MVWC Group at any time after the Effective Time;

(c) the MVWC Transferred Assets, whether prior to or after the Effective Time;

(d) the MVWC Liabilities, whether prior to or after the Effective Time;

(e) any breach by any MVWC Entity of this Agreement or any of the Transaction Agreements unless such Transaction Agreement expressly provides for separate indemnification therein, in which case any such indemnification claims will be made thereunder and not hereunder; and

(f) any payment made by MII under the Credit Support Instruments or the Parent Undertaking Agreements.

Section 5.3 Indemnification by MII. Subject to Section 5.4, following the Effective Time, MII will indemnify, defend and hold harmless MVWC, each MVWC Entity and its Affiliates and each of their and their Affiliates' respective current, former and future directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "MVWC Indemnitees"), from and against any and all Liabilities of the MVWC Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the MII Retained Business, including the failure of MII or any other MII Entity or any other Person to pay, perform or otherwise promptly discharge any Liability relating to, arising out of or resulting from the MII Retained Business in accordance with its terms, whether prior to or after the Effective Time (but not including the MVWC Transferred Assets and the MVWC Assumed Liabilities);

(b) the operation or conduct of any business conducted by any member of the MII Group at any time after the Effective Time;

(c) the MII Transferred Assets, whether prior to or after the Effective Time;

(d) the MII Liabilities, whether prior to or after the Effective Time; and

(e) any breach by any MII Entity of this Agreement or any of the Transaction Agreements unless such Transaction Agreement expressly provides for separate indemnification therein, in which case any such indemnification claims will be made thereunder and not hereunder.

Section 5.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The parties hereto intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of the Liability for which indemnification is sought or (ii) other amounts recovered from any third-party that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability ("Third-Party Proceeds"). Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or reimbursement under Section 5.2 or Section 5.3 of this Agreement (an "Indemnitee") will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or Third-Party Proceeds, then the Indemnitee will promptly pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer that would otherwise be obligated to defend or make payment in response to any claim will not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation

rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party will be entitled to a "windfall" (i.e., a benefit it would not be entitled to receive in the absence of the indemnification provisions of this Agreement) by virtue of the indemnification provisions hereof. Each member of the MII Group and MVWC Group will use its reasonable best efforts to seek to collect or recover any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article V; provided, however, that such Person's inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds will not limit the Indemnifying Party's obligations hereunder.

(c) Except to the extent otherwise required by applicable Law, any indemnity payment hereunder shall be treated, for all Tax purposes, as made immediately before the Effective Time (i) as a distribution by MVWC to MII, if made pursuant to Section 5.2 and (ii) as a contribution by MII to MVWC, if made pursuant to Section 5.3. The parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be made on an after-Tax basis. For this purpose, "after-Tax basis" means the actual amount of any payment to be made with respect to such Liability, after giving effect to any Tax cost actually incurred by the Indemnitee arising out of the receipt of such payment, and reducing such payment by the value of any and all federal, state or other Tax benefits actually realized by the Indemnitee in respect of the payment of the indemnified or reimbursed Liability, which Tax costs and Tax benefits shall be treated as actually incurred or actually realized, as the case may be, based on a with-and-without Tax calculation and assuming that all other gain, income, loss, deduction and other items are taken into account by the Indemnitee prior to taking into account any such Tax cost or Tax benefit.

Section 5.5 Procedures for Indemnification of Third-Party Claims.

(a) If an Indemnitee receives notice or otherwise learns that a Person (including any Governmental Authority) other than a MII Entity or a MVWC Entity has asserted any claim or commenced an Action for which the Indemnitee may be entitled to indemnification under this Agreement or any Transaction Agreement (collectively, a "Third-Party Claim"), the Indemnitee will notify the Indemnifying Party in writing as promptly as practicable. Any such notice will describe the Third-Party Claim in reasonable detail and include written correspondence from the third party regarding the Third-Party Claim. If an Indemnitee does not provide this notice of a Third-Party Claim, the Indemnifying Party will not be relieved of its indemnification obligations under this Article V, except to the extent that the Indemnifying Party suffers actual harm as a result of such Indemnitee's failure to give timely notice. The Indemnitee will deliver copies of all documents it receives regarding the Third-Party Claim to the Indemnifying Party promptly (and in any event within five (5) Business Days) after the Indemnitee receives them.

(b) With respect to any Third-Party Claim:

(i) Unless the parties otherwise agree, within 30 days after an Indemnifying Party receives notice of a Third-Party Claim in accordance with Section 5.5(a), the Indemnifying Party will defend the Third-Party Claim (and, unless the

Indemnifying Party has specified any reservations or exceptions, seek to settle or compromise such Third-Party Claim), at its expense and with its counsel. The Indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the Third-Party Claim. However, the Indemnifying Party will pay the fees and expenses of counsel the Indemnitee engages (A) for any period during which the Indemnifying Party has not assumed the defense of the Third-Party Claim (other than for any period in which the Indemnitee did not notify the Indemnitee of the Third-Party Claim as required by Section 5.5(a)) or (B) if engagement of counsel is as a result of a conflict of interest, as the Indemnitee reasonably determines in good faith.

(ii) No Indemnifying Party will consent to entry of a judgment or settle a Third-Party Claim without the applicable Indemnitee's consent, which consent may not be unreasonably withheld or delayed. However, an Indemnitee will consent to entry of a judgment or a settlement if it (A) does not include a finding or admission by the Indemnitee of a violation of Law or the rights of any Person, (B) involves only monetary relief which the Indemnifying Party has agreed to pay and could not reasonably be expected to have a significant adverse impact (financial or non-financial) on the Indemnitee, or any of its Subsidiaries or Affiliates, and (C) includes a full and unconditional release of the Indemnitee. An Indemnitee will not be required to consent to entry of a judgment or a settlement if it would permit an injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(c) No Indemnitee will admit any liability with respect to, or settle, compromise or discharge, a Third-Party Claim without the Indemnifying Party's prior written consent, which consent may not be unreasonably withheld or delayed.

Section 5.6 Additional Matters.

(a) An Indemnitee will give the Indemnifying Party timely written notice of any claim regarding a Liability that does not result from a Third-Party Claim. If the Indemnifying Party does not respond to this notice within 30 days after receiving the notice, the Indemnifying Party will be deemed to have refused to accept responsibility to make payment. If the Indemnifying Party does not respond within this 30-day period or rejects the claim in whole or in part, the Indemnitee may pursue remedies specified by this Agreement and the Transaction Agreements, as applicable, as well as remedies available under applicable Law.

(b) If an Indemnifying Party makes an indemnification payment in connection with a Third-Party Claim, the Indemnifying Party will be subrogated to the Indemnitee's rights, defenses or claims relating to such Third-Party Claim against the Person asserting the Third-Party Claim or against any other Person. The Indemnitee will cooperate with the Indemnifying Party, at the Indemnifying Party's expense, in prosecuting any subrogated right, defense or claim.

(c) If an Indemnifying Party is not a named defendant in a Third-Party Action, at the request of either party, the parties will try to substitute the Indemnifying Party for the named defendant, if reasonably practicable. If substitution or addition is not possible or is not requested, the named defendant will allow the Indemnifying Party to manage the Action as set forth in Section 5.5.

Section 5.7 Contribution.

(a) If the indemnification provided for under this Agreement is unavailable, or insufficient to hold harmless an Indemnitee in respect of any indemnified Liability, the Indemnifying Party will contribute to the amount paid or payable by the Indemnitee as a result of such Liabilities. The amount contributed by the Indemnifying Party will be in such proportion as reflects the relative fault of the Indemnifying Party and the Indemnitee in connection with the actions or omissions resulting in the Liability and any other relevant equitable considerations. The relative fault of the Indemnifying Party and Indemnitee will depend on, among other things, whether the misstatement, omission or alleged misstatement or omission of a material fact relates to Information supplied by such Indemnifying Party or Indemnitee, and the parties' relative intent, knowledge, access to Information and opportunity to correct or prevent such misstatement or omission.

(b) The parties agree that any method of allocation of contribution under this Section 5.7 will take into account the equitable considerations referred to in Section 5.7(a). The amount paid or payable by an Indemnitee to which the Indemnifying Party will contribute will be deemed to include any legal or other expenses reasonably incurred by the Indemnitee to investigate any claim or defend any Action. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 5.8 Remedies Cumulative. The remedies provided in this Article V are cumulative and do not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 5.9 Survival of Indemnities. The rights and obligations of each of MII, MVWC and their respective Indemnitees under this Article V will survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

Section 5.10 Limitation on Liability. Except as may expressly be set forth in this Agreement, none of MII, MVWC or any other member of either Group will in any event have any Liability to the other or to any other member of the other's Group, or to any other MII Indemnitee or MVWC Indemnitee, as applicable, under this Agreement (a) to the extent that any such Liability resulted from any willful violation of Law or fraud by the party seeking indemnification or (b) for any indirect, punitive or consequential damages (other than to the extent the Indemnitee is liable for such damages under a court order issued in connection with a Third Party Claim).

Section 5.11 Change of Control Triggering Event. Upon a Change of Control Triggering Event prior to the fifth anniversary of the Distribution, MVWC promptly will provide notice to MII describing in reasonable detail the circumstances surrounding the

Change of Control Triggering Event. Immediately after such Change of Control Triggering Event and until the fifth anniversary of the Distribution, MVWC will provide credit support in the form of one or more standby letters of credit in an amount equal to $50 million (the other terms and provisions of which will be reasonably satisfactory to MII) to support MVWC's obligations under Section 5.2.

ARTICLE VI
INSURANCE

Section 6.1 Insurance Matters.

(a) The parties intend that the MII Entities and the MVWC Entities, from and after the Effective Time, be successors-in-interest to and retain all rights and interest that each has as of the Effective Time (i) with respect to all claims whether known, unknown, contingent or otherwise, under any Insurance Policy with an occurrence based trigger issued to and/or providing coverage to MII or MVWC, as it existed immediately prior to the Effective Time, or any of its Subsidiaries or Affiliates, (ii) with respect to all claims whether known, unknown, contingent or otherwise, under any third party Insurance Policies, any agreements related to such Insurance Policies executed and delivered prior to the Effective Time, including any rights or interests each has, as an insured, named insured, or additional named insured, additional insured, or loss payee, Subsidiary, Affiliate, division or department, to avail itself of any benefit under any such Insurance Policy or any such agreement related to such policy as in effect prior to the Effective Time, and (iii) with respect to claims that are known and/or reported to the insurer or claims department prior to the Effective Time, under any Insurance Policy with a claims based trigger issued to and/or providing coverage to MII or MVWC, as it existed immediately prior to the Effective Time, or any of its Subsidiaries or Affiliates. The provisions of this Agreement are not intended to relieve any insurer of any Liability under any policy and all claims are subject to the insurance policy terms and conditions. Notwithstanding the foregoing, no MII Entity or MVWC Entity will be deemed to have made any representation or warranty as to the availability of any Insurance Policy or the rights and benefits provided thereunder. MVWC shall be liable for any changes in self-insured retentions, deductibles, charge backs or similar related costs with respect to the MVWC Business in connection with the policies set forth in Section 6.1(a)(i) and (iii) on a per claim basis through September 30, 2012, subject to policy terms and conditions, but in no event shall the per claim amount exceed the maximum self-insured retentions, deductibles, charge back or similar related costs amount established for MVWC as defined by applicable MII insurance programs as of immediately prior to the Effective Time.

(b) This Agreement shall not be construed to waive any rights or remedies of any MII Entity or MVWC Entity in respect of any Insurance Policy.

(c) Each of MII and MVWC hereby agrees, for itself and for each other MII Entity and MVWC Entity, respectively, that, as and to the extent necessary to give effect to Section 6.1(a), it will assign any chose in action, claim, right or benefit under any Insurance Policy; provided, however, that no MII Entity or MVWC Entity will take such action, and this Agreement may not be considered as an attempted assignment of any rights or interests under any policy of insurance or as a contract of insurance, if such an assignment would be prohibited or would otherwise adversely affect the rights of the insured parties.

(d) Each of MII and MVWC hereby agrees, for itself and each other MII Entity and MVWC Entity, respectively, that the insured that is seeking benefits will perform all duties and obligations under any Insurance Policy, including the fulfillment of any conditions and the payment of any deductibles, retentions, co-insurance payment or retrospective premiums, that correspond in any way with or may be necessary to perfect, preserve or maintain an insured's right to obtain benefits under that Insurance Policy, subject to the indemnification provisions of Article V.

(e) For all policies of insurance with third-party insurance companies, the parties agree to act in good faith and to use their reasonable best efforts to preserve and maximize the insurance benefits due to be provided thereunder and to cooperate with one another as necessary to permit each other to access or obtain the benefits under those policies. The parties agree to exchange information upon reasonable request of any other party regarding requests that they have made for insurance benefits, notices of claims, occurrences and circumstances that they have submitted to the insurance companies or other entities managing the policies, responses they have received from those insurance companies or entities, including any payments they have received from the insurance companies and any agreements by the insurance companies to make payments, and any other information that the parties may need to determine the status of the Insurance Policies and the continued availability of benefits thereunder. In the event that claims relate to the same occurrence for which MII Group and MVWC Group are jointly seeking coverage under such any Insurance Policies, both parties shall maintain the right to participate in defense efforts, even at each parties own expense, to the extent that such expenses are not covered by the applicable Insurance Policies. In the event that policy limits under an applicable Insurance Policy are not sufficient to fund all covered claims of MII Group and MVWC Group, amounts due under such policy shall be paid on a first come first serve basis, and any amounts due simultaneously shall be paid to the respective entities in proportion to the amounts which otherwise would be due were the limits of liability infinite.

(f) Notwithstanding anything to the contrary in this Article VI, Marriott Claims Services, Inc. shall have the authority to administer and settle claims to the extent insured under any MII managed insurance programs. Pursuant to Section 8.7, MVWC shall cooperate in the investigation and disposition of all claims handed by Marriott Claims Services, Inc. and including but not limited to return-to-work efforts and attendance at trials to the extent reasonably determined by Marriott Claims Services, Inc.

(g) For a period of six (6) years from the Distribution Date, the certificate of incorporation, as amended, and bylaws, as amended, of each of MVWC and MII will contain provisions no less favorable with respect to indemnification than are set forth in the certificate of incorporation and bylaws of each immediately after the Effective Time, which provisions may not be amended, repealed or otherwise modified for a period of six (6) years from the Distribution Date in any manner that would affect adversely the

rights thereunder of individuals who, at or prior to the Effective Time, were directors, officers, employees, fiduciaries or agents of any member of the MVWC Group or the MII Group, unless such modification is required by Law (and then only to the minimum extent required by Law).

ARTICLE VII
EXCHANGE OF INFORMATION; CONFIDENTIALITY

Section 7.1 Agreement for Exchange of Information.

(a) Except in the case of an adversarial Action or threatened adversarial Action related to a request hereunder by any member of either the MII Group or the MVWC Group against any member of the other Group (which will be governed by such discovery rules as may be applicable thereto), and subject to Section 7.1(b), each of MII and MVWC, on behalf of the members of its respective Group, will use reasonable best efforts to provide (except as otherwise provided in this Agreement or any Transaction Agreement, at the sole cost and expense of the requesting party), to the other Group, at any time before or after the Effective Time, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of the members of such respective Group that the requesting party reasonably requests (i) in connection with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities or Laws in respect of Taxes) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative, Tax, insurance or other proceeding or in order to satisfy audit, accounting, claims, regulatory, investigation, litigation, Tax or other similar requirements, or (iii) to comply with its obligations under this Agreement, any Transaction Agreement, any agreement listed in Section 2.3(b) or any other agreements or arrangements entered into prior to the Effective Time with respect to which the requesting party requires information from the other party in order to fulfill the requesting party's obligations under such agreement or arrangement. The receiving party may use any Information received pursuant to this Section 7.1(a) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in the immediately preceding sentence and will otherwise take reasonable steps to protect such Information. Nothing in this Section 7.1 may be construed as obligating a party to create Information not already in its possession or control. Notwithstanding this Section 7.1(a), the parties agree that the provisions of the Tax Sharing and Indemnification Agreement shall govern with respect to the sharing of Information related to Taxes.

(b) If any party determines that the exchange of any Information pursuant to Section 7.1(a) is reasonably likely to violate any Law or binding agreement, or waive or jeopardize any attorney-client privilege, or attorney work product protection, such party will not be required to provide access to or furnish such Information to the other party; provided, however, that the parties will take all reasonable measures to permit compliance with Section 7.1(a) in a manner that avoids any such harm or consequence. MII and MVWC intend that any provision of access to or the furnishing of Information that would otherwise be within the ambit of any legal privilege will not operate as a waiver of such privilege.

(c) After the Effective Time, each of MII and MVWC will maintain in effect systems and controls reasonably intended to enable the members of the other Group to satisfy their respective known reporting, accounting, disclosure, audit, contractual and other obligations.

Section 7.2 Ownership of Information. The provision of Information pursuant to Section 7.1, will not grant or confer rights of license or otherwise in any such Information.

Section 7.3 Compensation for Providing Information. Except as otherwise set forth in any Transaction Agreement, the party requesting Information pursuant to Section 7.1 agrees to reimburse the party providing such Information for the reasonable incremental costs, if any, of creating, gathering and copying such Information, to the extent that the providing party incurs such costs for the benefit of the requesting party. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other agreement between the parties, the providing party will compute such costs in accordance with its standard methodology and procedures.

Section 7.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement from and after the Effective Time, each party agrees to use its reasonable best efforts to retain all Information in accordance with its record retention policy as in effect immediately prior to the Effective Time or as modified in good faith thereafter; provided, that to the extent any Transaction Agreement provides for a longer retention period for certain Information, that longer period will control. No party will destroy, or permit any of its Subsidiaries to destroy, any Information that another party may have the right to obtain pursuant to this Agreement before the end of the period provided in the applicable record retention policy without first using its reasonable best efforts to notify such other party of the proposed destruction and giving such other party the opportunity to take possession of that Information before it is destroyed.

Section 7.5 Limitation of Liability. No party will have any liability to any other party if any Information exchanged or provided pursuant to this Article VIII that is an opinion, estimate or forecast, or that is based on an opinion, estimate or forecast, is found to be inaccurate, in the absence of willful misconduct by the party providing such Information. No party will have any liability to any other party if any Information is destroyed after reasonable best efforts by such party to comply with the provisions of Section 7.4.

Section 7.6 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VII will be subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Transaction Agreement.

Section 7.7 Production of Witnesses; Records; Cooperation.

(a) From and after the Effective Time, except in the case of an adversarial Action or threatened adversarial Action by any member of either the MII Group or the MVWC Group against any member of the other Group (which will be governed by such discovery rules as may be applicable thereto), each party, will cooperate and consult in good faith as reasonably requested in writing by the other party with respect to (i) any Action, (ii) this Agreement or any of the Transaction Agreements or any of the transactions contemplated hereby or thereby or (iii) any audit, investigation or any other legal requirement, and, use reasonable efforts to make available to such other party the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group (whether as witnesses or otherwise).

(b) Notwithstanding the foregoing, Section 7.7(a) does not require a party to take any step that would materially interfere, or that it reasonably determines could materially interfere, with its business.

(c) The requesting party will bear all out-of-pocket costs and expenses that the other party incurs in connection with a request under this Section 7.7.

Section 7.8 Confidentiality.

(a) Subject to Section 7.9, each of MII and MVWC, on behalf of itself and each member of its Group, will hold, and will cause its respective Representatives to hold, in strict confidence, with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary information, all Information concerning the other Group or its business that is either in its possession (including Information in its possession prior to the Effective Time) or provided by any member of such other Group or its respective Representatives at any time pursuant to this Agreement, any Transaction Agreement or otherwise, and will not use any such Information other than for such purposes as will be expressly permitted hereunder or thereunder. The confidentiality obligation in this Section 7.8 does not apply to the extent that any Information is (i) generally available to the public through no fault of the disclosing party or any member of its Group or any of their respective Representatives, (ii) lawfully acquired from other sources by such party (or any member of such party's Group), which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of the disclosing party or its Group.

(b) Each receiving party agrees not to release or disclose, or permit to be released or disclosed, any such Information concerning the other Group to any other Person, except those of its Representatives who need to know such Information (who will be advised of their obligations hereunder with respect to such Information), except in compliance with Section 7.9. Without limiting the foregoing, when any Information concerning the other Group or its business is no longer needed for the purposes contemplated by this Agreement or any Transaction Agreement, each disclosing party will, promptly after the request of the receiving party, either return to the disclosing party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the disclosing party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon), provided that such Persons may retain a copy of such Information on a confidential basis to the extent required by their record retention policies.

Section 7.9 Protective Arrangements. In the event that any party or any member of its Group either determines on the advice of its counsel that it should disclose any Information pursuant to applicable Law or receives any demand under lawful process or from any Governmental Authority or properly constituted arbitral authority to disclose or provide Information of any other party (or any member of any other party's Group) that is subject to the confidentiality provisions hereof, to the extent permitted by Law, the Person required to disclose the information will give the applicable Person prompt, and to the extent reasonably practicable, prior written notice of such disclosure and an opportunity to contest such disclosure, and will use reasonable best efforts to cooperate, at the expense of the requesting Person, in seeking any reasonable protective arrangements requested by such Person. In the event that such appropriate protective arrangement or order or other remedy is not obtained, the Person that is required to disclose such Information will furnish only that portion of such Information that is legally required to be disclosed and will use reasonable best efforts to ensure that confidential treatment is accorded such Information.

Section 7.10 Privilege. MVWC and MII recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the benefit of both the MVWC Group and the MII Group and that both the MVWC Group and the MII Group should be deemed to be the client for the purposes of asserting all Privileges. To allocate the interests of each party in the Privileged Information, the parties agree as follows:

(a) MII shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the MII Retained Business, whether or not the Privileged Information is in the possession of or under the control of MII or MVWC. MII shall also be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the subject matter of any claims constituting MII Liabilities, now pending or which may be asserted in the future, in any Action initiated against or by MII, whether or not the Privileged Information is in the possession of or under the control of MII or MVWC.

(b) MVWC shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the MVWC Business, whether or not the Privileged Information is in the possession of or under the control of MVWC or MII. MVWC shall also be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the subject matter of any claims constituting MVWC Liabilities, now pending or which may be asserted in the future, in any Action initiated against or by MVWC, whether or not the Privileged Information is in the possession of or under the control of MII or MVWC.

(c) MVWC and MII agree that they shall have a shared Privilege, with equal right to assert or waive, subject to the restrictions in this Section 7.10, with respect to all Privileges not allocated pursuant to the terms of Sections 7.10(a) and (b). All Privileges relating to any Action that involve both MVWC and MII in respect of which MVWC and MII retain any responsibility or liability under this Agreement, shall be subject to a shared Privilege.

(d) No party may waive any Privilege that could be asserted under any applicable Law, and in which the other party has a shared Privilege, without the consent of the other party, except to the extent reasonably required in connection with any litigation with any third-party or as provided in subsection (e) below. Consent shall be in writing, or shall be deemed to be granted unless written objection is made within twenty days after notice upon the other party requesting such consent.

(e) In the event of any litigation or dispute between a member of the MII Group and a member of the MVWC Group, either party may waive a Privilege in which the other party has a shared Privilege, without obtaining the consent of the other party, provided that such waiver of a shared Privilege shall be effective only as to the use of Information with respect to the litigation or dispute between the MII Group and the MVWC Group, and shall not operate as a waiver of the shared Privilege with respect to third-parties.

(f) If a dispute arises between the parties regarding whether a Privilege should be waived to protect or advance the interest of either party, each party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of the other party, and shall not unreasonably withhold consent to any request for waiver by the other party. Each party specifically agrees that it will not withhold consent to any request for waiver for any purpose except to protect its own legitimate interests.

(g) Upon receipt by any party of any subpoena, discovery or other request which arguably calls for the production or disclosure of Information subject to a shared Privilege or as to which the other party has the sole right hereunder to assert a Privilege, or if any party obtains knowledge that any of its current or former directors, officers, agents or employees have received any subpoena, discovery or other requests which arguably calls for the production or disclosure of such Privileged Information, such party shall promptly notify the other party of the existence of the request and shall provide the other party a reasonable opportunity to review the Information and to assert any rights it may have under this Section 7.10 or otherwise to prevent the production or disclosure of such Privileged Information.

(h) The transfer of the Information between MVWC Entities and MII Entities in accordance with this Agreement is made in reliance on the agreement of MVWC and MII, as set forth in Sections 7.8 and 7.10, to maintain the confidentiality of Privileged Information and to assert and maintain all applicable Privileges. The access to Information being granted pursuant to this Article VII, the agreement to provide witnesses and individuals pursuant to this Article VII and the transfer of Privileged Information between MVWC Entities and MII Entities pursuant to this Agreement shall not be deemed a waiver of any Privilege that has been or may be asserted under this Agreement or otherwise.

ARTICLE VIII
FURTHER ASSURANCES

Section 8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties will use its reasonable best efforts to take all actions, and to do all things reasonably necessary, proper or advisable under applicable Law, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Transaction Agreements.

(b) Without limiting the foregoing, each party will cooperate with the other party, and without any further consideration to (i) execute and deliver all instruments, including any instruments of conveyance, assignment and transfer as such party may be reasonably requested to execute and deliver to the other party, (ii) make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, (iii) seek or obtain any Governmental Approvals or other Consents required to effect the Separation or the Distribution, and (iv) take all such other actions as such party may reasonably be requested to take by any other party, consistent with the terms of this Agreement and the Transaction Agreements, in order to effectuate the provisions and purposes of this Agreement and the Transaction Agreements and the transfers of the MVWC Assets and the MII Retained Assets and the assignment and assumption of the MVWC Assumed Liabilities and the MII Assumed Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title, if and to the extent it is practicable to do so.

(c) On or prior to the Distribution Date, MII and MVWC in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, will each ratify any actions that are reasonably necessary or desirable to be taken by MII and MVWC or any other Subsidiary of MII or MVWC, as the case may be, to effectuate the transactions contemplated by this Agreement.

ARTICLE IX
TERMINATION

Section 9.1 Termination. This Agreement may be terminated by MII at any time prior to the Effective Time. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by MII and MVWC.

Section 9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no party (or any of its directors or officers) will have any Liability or further obligation to any other party with respect to this Agreement.

ARTICLE X
DISPUTE RESOLUTION

Section 10.1 Negotiation. If any Agreement Dispute arises and cannot be resolved in the ordinary course of business, MII or MVWC may deliver to the other party written notice of such Agreement Dispute ("Dispute Notice") and the general counsels and chief financial officers of MII and MVWC and/or such other executive officer(s) designated by each of MVWC and MII will negotiate for a reasonable period of time to settle such Agreement Dispute. Unless otherwise agreed by the relevant parties, if within thirty days from delivery of such Dispute Notice, the Agreement Dispute has not been resolved, the Agreement Dispute will be referred to mediation in accordance with Section 10.2. In the event of any arbitration or litigation in accordance with this Article X, the relevant MII Entities and MVWC Entities may not assert any statute of limitations, laches or similar defenses relating to the date of receipt of the Dispute Notice, if the Dispute Notice was delivered prior to the expiration of the applicable statute of limitations period and the prosecuting party complies with the contractual time period or deadline under this Agreement or any Transaction Agreement to which such Agreement Dispute relates.

Section 10.2 Mediation. If, within 30 days after delivery of a Dispute Notice, a negotiated resolution of the Agreement Dispute under Section 10.1 has not been reached, MII and MVWC agree to seek to resolve the Agreement Dispute by mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures, and to bear equally the costs of the mediation; provided, however, that each MII Entity and MVWC Entity will bear its own costs in connection with such mediation. If the Agreement Dispute has not been resolved through mediation within 90 days after the date of service of the Dispute Notice, or such longer period as the parties may mutually agree in writing (the "Mediation Period"), each party will be entitled to refer the dispute to arbitration in accordance with Section 10.3.

Section 10.3 Arbitration. If the Agreement Dispute has not been resolved for any reason during the Mediation Period, such Agreement Dispute will be resolved, at the request of any relevant party, by arbitration administered by the AAA under its Commercial Arbitration Rules, conducted in Washington, D.C., except as modified herein (the "Rules"). There will be three arbitrators. If there are only two parties to the arbitration, each of MII and MVWC will appoint one arbitrator within 20 days after receipt by respondent of a copy of the demand for arbitration. For purposes of this Article X, the

MII Group and the MVWC Group will each be deemed to be one party. The two party-appointed arbitrators will have 20 days from the appointment of the second arbitrator to agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 10.3 will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause. If there are multiple claimants and/or multiple respondents to the effect that there are more than two parties to the arbitration, all claimants and/or all respondents will attempt to agree upon their respective appointments. If such multiple parties fail to nominate an arbitrator within 30 days, the AAA will appoint an arbitrator on their behalf. In such circumstances, any existing nomination of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrators will be appointed in accordance with AAA Rules R.12 and R.13. Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Article X will be determined by the arbitrators. In resolving any Agreement Dispute, the parties intend that the arbitrators will apply the substantive laws of the State of New York, without regard to any choice of law principles thereof that would mandate the application of the laws of another jurisdiction. MII and MVWC intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators will be final and binding on the parties. MII and MVWC agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any New York State or federal court sitting in the Borough of Manhattan in The City of New York. The arbitrators will be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of Section 5.10. The parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Agreement Dispute as promptly as practicable. Subject to applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

Section 10.4 Treatment of Negotiations and Mediation. Without limiting the provisions of the Rules, unless otherwise agreed in writing or permitted by this Agreement, MII and MVWC will keep confidential all matters relating to this Article X and any negotiation, mediation, conference, arbitration, or discussion pursuant to this Article X will be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules; provided, that such matters may be disclosed (a) to the extent reasonably necessary in any proceeding brought in connection with an arbitration proceeding commenced pursuant to Section 10.3 or to enforce the award or for entry of a judgment upon the award and (b) to the extent otherwise required by applicable Law, including disclosure or reporting requirements. Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions under Sections 10.1 and 10.2 that is not otherwise independently discoverable will be offered or received as evidence or used for impeachment or for any other purpose in any current or future arbitration.

Section 10.5 Continuity of Service and Performance. Unless otherwise agreed in writing, MII and MVWC will continue to provide service and honor all other commitments under this Agreement and each Transaction Agreement during the course of dispute resolution pursuant to the provisions of this Article X with respect to all matters not subject to such dispute resolution.

Section 10.6 Consolidation. The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to any of the Transaction Agreements if the subject of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Transaction Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each party and delivered to the other party.

(b) This Agreement and the Transaction Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof or thereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein. In the event of any conflict or inconsistency between any provision of any of the Transaction Agreements and any provision of this Agreement, the applicable Transaction Agreement will control over the inconsistent provisions of this Agreement as to the matters specifically addressed in such Transaction Agreement.

(c) MII represents on behalf of itself and each other MII Entity and MVWC represents on behalf of itself and each other MVWC Entity that:

(i) each such Person is a corporation or other entity duly incorporated or formed, validly existing and in good standing under the Laws of the state or other jurisdiction of its incorporation or formation, and has all material corporate or other similar powers required to carry on its business as currently conducted;

(ii) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each other Transaction Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(iii) this Agreement and each Transaction Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of such Person enforceable in accordance with the terms hereof and thereof.

Section 11.2 Governing Law. This Agreement and each Transaction Agreement, except as otherwise expressly provided herein or therein, will be governed by and construed and interpreted in accordance with the laws of the State of New York, irrespective of the choice of laws principles of the State of New York, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

Section 11.3 Jurisdiction. The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, any of the Transaction Agreements or the transactions contemplated hereby or thereby will be brought in any state or federal court sitting in the State of New York, so long as one of such courts has subject matter jurisdiction over such suit, action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.7 will be deemed effective service of process on such party.

Section 11.4 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OF THE TRANSACTION AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 11.5 Assignment. Except as otherwise set forth in any Transaction Agreement, this Agreement and each Transaction Agreement will be binding upon and inure to the benefit of the parties and the parties to each Transaction Agreement, respectively, and their respective successors and assigns; provided, however, that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Transaction Agreement without the express prior written consent of the other party hereto or thereto, except as may be set forth in any such Transaction Agreement.

Section 11.6 Third Party Beneficiaries. Except for the indemnification rights under this Agreement of any MII Indemnitee or MVWC Indemnitee in their respective capacities as such, except for Section 6.1(g), and except as specifically provided in the Employee Benefits Allocation Agreement, (i) the provisions of this Agreement and each Transaction Agreement are solely for the benefit of the parties hereto and thereto and are not intended to confer upon any Person except such parties any rights or remedies hereunder or thereunder, and (ii) except as may be specifically provided in any Transaction Agreement with respect to such Transaction Agreement, there are no third party beneficiaries of this Agreement or any Transaction Agreement and neither this Agreement nor any Transaction Agreement will provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Transaction Agreement.

Section 11.7 Notices. All notices and other communications hereunder must be in writing and will be deemed duly delivered (a) on the date of delivery if delivered personally, or if by facsimile, upon written confirmation of receipt by facsimile, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder must be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice

(i) if to MII or any other MII Entity, to:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, MD 20817
Attention: Chief Financial Officer
Dept. 52/924.11
Facsimile: (301) 380-5067

with a copy (which will not constitute notice) to the same address:

Attention: General Counsel
Dept. 52/923
Facsimile: (301) 380-6727

(ii) if to MVWC or any other MVWC Entity, to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attention: President and Chief Executive Officer
Facsimile: (407) 206-6037

with a copy (which will not constitute notice) to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attention: General Counsel
Facsimile: (407) 513-6680

Section 11.8 Severability. If any provision of this Agreement or any Transaction Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

Section 11.9 Expenses.

(a) MVWC and MII will agree, prior to the Effective Date, which party or parties shall be responsible for certain expenses expected to be incurred in connection with the Internal Reorganization, the Distribution and the performance of this Agreement. Except as expressly agreed by MVWC and MII pursuant to this Section 11.9(a), or as set forth elsewhere in this Agreement or in any Transaction Agreement, all fees, costs and expenses paid or incurred in connection with the post-Distribution performance of this Agreement and any Transaction Agreement, whether performed by a third-party or internally, will be paid by the party incurring such fees or expenses, whether or not the Distribution is consummated.

(b) Except where context otherwise requires, references in this Agreement to “costs and expenses” include the relevant party’s allocated costs of employees (including in-house counsel and other personnel), fringe benefit costs, general and administrative costs, overhead, document processing vendors, litigation support, including e-discovery consultants, testifying and non-testifying experts, and other consultants.

Section 11.10 Headings. The Article, Section and paragraph headings contained in this Agreement and in the Transaction Agreements are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement or any Transaction Agreement.

Section 11.11 Waivers of Default. Waiver by any party of any default by any party of any provision of this Agreement or any Transaction Agreement will not be deemed a waiver by the waiving party of any subsequent or other default, nor will it prejudice the rights of any other party.

Section 11.12 Specific Performance. Except as otherwise expressly provided in this Agreement or any Transaction Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the party or parties that are or are to be thereby aggrieved will have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 11.13 Amendments. No provisions of this Agreement or any Transaction Agreement (except as expressly otherwise provided in any Transaction Agreement) will be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by an authorized representative of the party against whom such waiver, amendment, supplement or modification is sought to be enforced.

Section 11.14 Payment. Except as expressly provided in this Agreement or any Transaction Agreement, any amount payable pursuant to this Agreement or any Transaction Agreement by one party (or any member of such party's Group) to a member of the other party's Group will be paid within 30 days after presentation of an invoice or a written demand by the party entitled to receive such payments. Such demand must include documentation setting forth the basis in reasonable detail for the amount payable. Any payment not made within 30 days of the written demand for such payment will accrue interest at a rate per annum equal to the lesser of (i) LIBOR plus 800 basis points or (ii) the maximum rate permitted by applicable usury laws, provided, that in the event of a bona fide dispute regarding such payment interest shall be deferred until the dispute has been resolved, at which time any amount or portion which is determined to have been payable shall bear interest at a rate of LIBOR plus 200 basis points from the original payment due date.

Section 11.15 Coordination with Tax Sharing and Indemnification Agreement. Notwithstanding anything in this Agreement to the contrary, except for those tax matters specifically addressed herein, the Tax Sharing and Indemnification Agreement will be the exclusive agreement among the parties with respect to all Tax matters, including indemnification in respect of Tax matters.

Section 11.16 Interpretation. In this agreement, words in the singular are deemed to include the plural and vice versa and words of one gender are deemed to include the other gender as the context requires. The terms "hereof," "herein," "hereby," "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement (or the applicable Transaction Agreement) taken as a whole (including all of

the Exhibits and Schedules hereto and thereto) and not to any particular provision of this Agreement (or such Transaction Agreement). Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Transaction Agreement) unless otherwise specified. The table of contents and headings contained in this Agreement or in any Exhibit are for convenience of reference purposes only and do not affect in any way the meaning or interpretation of this Agreement. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein have the meaning as defined in this Agreement. The word "including" and words of similar import when used in this Agreement (or the applicable Transaction Agreement) means "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" is not exclusive. Unless otherwise specified or the context otherwise requires, (i) all agreements, undertakings and obligations of the parties under this Agreement that do not by their terms or context apply only prior to or on or after the Effective Time apply before, on and after the Effective Time, and (ii) where MII or MVWC agrees to perform an action or abide by an agreement, that agreement also includes such party's agreement to cause the other members of its Group to do so, and to take commercially reasonable efforts to cause third parties to do so.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement, and in the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

ARTICLE XII
GUARANTY

Section 12.1 Guaranty. Each Guarantor unconditionally and irrevocably guarantees to MII that if MVWC fails for any reason to perform when due any of its respective obligations to MII (the "Obligations") within the time specified therein, it will without any demand or notice whatsoever promptly pay or perform such Obligations (the "Guaranty"). The Guarantors acknowledge that the Guaranty is a continuing guaranty and may not be revoked and shall not otherwise terminate unless this (i) Agreement has terminated or expired in accordance with Article IX and (ii) all amounts owing to MII by MVWC and the Guarantors pursuant to the Obligations have been paid in full. The liability of each Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of MVWC or any other Guarantor and a separate action or actions may be brought and prosecuted against any Guarantor, whether or not any action is brought or prosecuted against MVWC or any other Guarantor or whether MVWC or any other Guarantor is joined in any such action or actions. The Guaranty shall be construed as a continuing, absolute and unconditional guaranty both of performance and of payment (and not merely of collection) without regard to: (i) any modification, amendment or variation in or addition to the terms of any of the Obligations or any covenants in respect thereof or any security therefor, (ii) any extension of time for performance or waiver of performance of any covenant of Obligor or any failure or omission to enforce any right with regard to or any other indulgence with respect to any of the Obligations, (iii) any

exchange, surrender, release of any other guaranty of or security for any of the Obligations or (iv) any bankruptcy, insolvency, reorganization, or proceeding involving or affecting MVWC or any other Guarantor, it being our intent that the our obligations hereunder shall be absolute and unconditional under any and all circumstances.

Section 12.2 Guarantor Waivers . Each Guarantor hereby expressly waives diligence, presentment, demand, protest, and all notices whatsoever with regard to any of the Obligations and any requirement that MII exhaust any right, power or remedy or proceed against MVWC or any other Guarantor of or any security for any of the Obligations. Each and every default in payment or performance by MVWC of any of the Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder against any Guarantor as each cause of action arises. Notwithstanding the foregoing, MII hereby acknowledges and agrees that the Guarantors do not waive any defense that an Obligation has already been paid, already been performed, is not due or yet due, or is subject to offset under the terms of this Agreement. For the avoidance of doubt, nothing herein shall obligate any Guarantor to make any payment which is illegal for such Guarantor to have made under any Applicable Law now or hereafter in effect in any jurisdiction applicable to such Guarantor.

Section 12.3 Maximum Liability of Guarantors . It being understood that the intent of MII is to obtain a guaranty from each Guarantor, and the intent of each Guarantor is to incur guaranty obligations, in an amount no greater than the largest amount that would not render such obligations subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, it is hereby agreed that:

(a) if (i) the sum of the obligations of the Guarantors hereunder (the "Guarantor Obligations") *exceeds* (ii) the sum (such sum, the "Total Available Net Assets") of the Maximum Available Net Assets of the Guarantors and MVWC, in the aggregate, then the Guarantor Obligations of each Guarantor shall be limited to the greater of (x) the Total Available Net Assets and (y) the value received by such Guarantor in connection with the incurrence of the Guarantor Obligations to the greatest extent such value can be determined; and

(b) if, but for the operation of this clause (b) and notwithstanding clause (a) above, the Guarantor Obligations of any Guarantor hereunder otherwise would be subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, taking into consideration such Guarantor's (i) rights of contribution, reimbursement and indemnity from MVWC and the other Guarantors with respect to amounts paid by such Guarantor in respect of the Obligations (calculated so as to reasonably maximize the total amount of obligations able to be incurred hereunder), and (ii) rights of subrogation to the rights of MII, then the Guarantor Obligations of such Guarantor shall be the largest amount, if any, that would not leave such Guarantor, after the incurrence of such obligations, insolvent or with unreasonable small capital within the meaning of Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, or otherwise make such obligations subject to such avoidance.

Any Person asserting that the Guarantor Obligations of a Guarantor are subject to clause (a) or are avoidable as referenced in clause (b) shall have the burden (including the burden of production and of persuasion) of proving (i) the extent to which such Guarantor Obligations, by operation of clause (a), are less than the Obligations owed by MVWC to MII or (ii) that, without giving effect to clause (b), the Guarantor Obligations of such Guarantor hereunder would be avoidable and the extent to which such Guarantor Obligations, by operation of clause (b), are less than the Obligations of MVWC, as the case may be.

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IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Carl T. Berquist
Carl T. Berquist
Executive Vice President and
Chief Financial Officer

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Stephen P. Weisz
Stephen P. Weisz
President and Chief Executive Officer

MARRIOTT OWNERSHIP RESORTS, INC.

By: /s/ Stephen P. Weisz
Stephen P. Weisz
President

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: /s/ Stephen P. Weisz
Stephen P. Weisz
President

MVCI ASIA PACIFIC PTE. LTD.

By: /s/ Pascale Dillon
Pascale Dillon
Director

MVCO SERIES LLC

By: /s/ Stephen P. Weisz
Stephen P. Weisz
President

[Signature Page to Separation and Distribution Agreement]

Parent Undertaking Agreements

1. For each of the 2004-1, 2004-2, 2005-1, 2005-2, 2006-1, 2006-2, 2007-1, 2007-2, 2008-1, 2009-2, and 2010-1 term timeshare mortgage securitization transactions (the "Term Securitizations"), (a) the Seller Undertaking Agreement, and (b) the Servicer Undertaking Agreement.

2. To the extent not transferred/replaced in the Internal Reorganization, (a) the $5M demand note from Marriott in favor of the applicable SPC for each Term Securitization, and (b) the Demand Promissory Note and Loan Agreement for each of the 2004-1 and 2004-2 Term Securitizations.

3. Performance Guaranty dated as of September 1, 2011, made by MII and MVWC in favor of Marriott Vacations Worldwide Owner Trust 2011-1, and Wells Fargo Bank, National Association.

Certain Agreements, Commitments and Understandings
That Will Remain in Place following the Distribution

None

MVWC Credit Support Instruments

The following letters of credit, and surety, performance and related bonds, to the extent that on the Distribution Date such instruments have not been cancelled or replaced with instruments obtained by the MVWC Group and for which only the MVWC Group is liable:

Letters of Credit

Issue Date	Expiration Date	Face Amount (or Approx. Current USD Equivalent)	Currency	Local Currency Amount	Issuing Bank	Subject
01/10/05	01/10/12	$ 150,000	USD	150,000	Bank of Nova Scotia	Escrow for MVCI Aruba NY purchasers
04/04/07	04/04/12	$ 75,000	USD	75,000	Bank of Nova Scotia	Escrow for MVCI Frenchman's cove NY purchasers.
02/18/00	02/18/12	$ 272,257	AED	1,000,000	Citibank	MVCI Dubai Sales Office.
11/01/04	09/30/12	$ 265,259	BHD	100,000	Citibank	MVCI Bahrain sales office
05/31/07	02/07/12	$ 170,616	HKD	1,327,237	Citibank	Hong Kong sales gallery
08/31/07	09/30/12	$ 392,638	EUR	274,918	Citibank	Italian VAT refund of 2005.
08/12/08	08/13/13	$ 449,404	EUR	314,664	Citibank	Italian VAT refund of 2006.
09/19/08	09/30/13	$ 418,168	EUR	292,794	Citibank	Italian VAT refund of 2007.
01/07/10	02/08/12	$ 66,663	SAR	250,000	Citibank	MVCI Saudi Arabia Sales office.
01/07/10	02/08/12	$ 266,652	SAR	1,000,000	Citibank	MVCI Saudi Arabia Sales office.
01/20/10	05/31/14	$ 394,843	EUR	276,462	Citibank	Italian VAT refund of 2008.
11/08/10	01/31/14	$ $94,898	EUR	66,446	Citibank	Italian VAT refund of 2009.
Total		**$3,016,398**				

Surety, Performance and Related Bonds

The parties are in the process of transferring obligations with respect to outstanding surety, performance and related bonds that support the MVWC Business from MII to MVWC. The parties will prepare and agree upon a schedule of bond obligations that have not been transferred shortly before the Effective Date.

MII Assumed Liabilities

- Liabilities on the Marriott Balance Sheet
- Any and all Liabilities associated with the Assets listed on Schedule II

MII Transferred Assets

- All interests in Luxury Hotels & Resorts (Thailand) Ltd., an MII Entity previously held by Marriott Vacation Properties of Florida, Inc., Marriott Overseas Owners Services Corporation, Marriott Resorts Hospitality Corporation, Marriott Resorts Sales Company, Inc., MORI Residences, Inc., and Marriott Resorts Travel Company, Inc.

- All shares of MII Class A common stock held by MVWC Entities.

MVWC Assumed Liabilities

- All Liabilities on the MVWC Balance Sheet
- Any and all Liabilities associated with the Assets listed on Schedule IV
- Any and all Liabilities of the entities listed on Schedule V
- Any and all Liabilities and obligations of MII Entities with respect to the following:
  - Euro Disney ticket purchase obligations
  - Kapalua, Hawaii “bad boy” guarantee
  - Kapalua, Hawaii completion guarantee
  - Kapalua, Hawaii guarantee of loans associated with fractional interests
  - Shadow Ridge, California resort procurement services obligations
  - Vail, Colorado lease of commercial unit in Bridge Street Building
  - Newport Beach, California office space lease from The Irvine Co.
  - 2010 and earlier timeshare note securitizations
  - Merchant acquiring business relationship between MVCI Asia Pacific Pte. Ltd and Citibank Singapore Limited

MVWC Transferred Assets

- All interests in any capital stock or other equity, partnership, membership, joint venture or similar interests of any entity shown on Schedule V that was transferred to the MVW Group in the Internal Reorganization.
- All interests of the MII Group in any capital stock or other equity, partnership, membership, joint venture or similar interests of Mai Kao Development Limited, Phuket Land Owner Limited and PLOL Holdings Ltd.
- Fee simple title to approximately 32 parcels located in Absecon, New Jersey (including parcels affected by that certain Golf Course Lease (Pines Course) by and between Marriott Corporation (Landlord) and MSCC Limited Partnership (Tenant), dated as of May 4, 1988, as amended and assigned.
- An assignment and assumption of all of MII's right, title and interests in and to the following interests and agreements pertaining to the real property parcel improved by the building commonly known as Custom House, located at 3 McKinley Square, Boston, Massachusetts:

Agreement	Parties	Date	Recording Date
Purchase Option	Marriott International, Inc. The Boston Redevelopment Authority	9/28/95	1/12/96
Mortgage	Marriott International, Inc. The Boston Redevelopment Authority	9/28/95	1/12/96
Custom House Public Areas Agreement	Marriott International, Inc. Marriott Ownership Resorts, Inc. City of Boston, acting by and through its Public Improvements Commission The Boston Redevelopment Authority	12/21/95	1/12/96
Water and Sewer Agreement	Marriott International, Inc. Marriott Ownership Resorts, Inc. The Boston Redevelopment Authority Boston Water and Sewer Commission	12/21/95	1/12/96

- All assets held by the MII Group in respect of the MVWC Business relating to The Ritz-Carlton Destination Club resort, St. Thomas, USVI
- The license fee payable to the Ritz-Carlton Hotel Company, L.L.C. ("RCHC") under the residential license agreement for Vail, Colorado, as and to the extent separately agreed to between MVWC and RCHC.

MVWC Subsidiaries

Subsidiary	Jurisdiction of Organization
MVW US Holdings, Inc.	Delaware
MVW of Nevada, Inc.	Nevada
Eagle Tree Construction, LLC	Florida
e-CRM Central, LLC	Delaware
Hard Carbon, LLC	Delaware
Heavenly Resort Properties, LLC	Nevada
K D Kapule LLC	Hawaii
Kauai Lagoons Holdings LLC	Delaware
Kauai Lagoons LLC	Hawaii
Kauai Lagoons Vessels LLC	Hawaii
Marriott Kauai Ownership Resorts, Inc.	Delaware
Marriott Overseas Owners Services Corporation	Delaware
Marriott Ownership Resorts, Inc.	Delaware
Marriott Ownership Resorts Procurement, LLC	Delaware
Marriott Resorts Hospitality Corporation	South Carolina
Marriott Resorts Sales Company, Inc.	Delaware
Marriott Resorts Title Company, Inc.	Florida
Marriott Resorts, Travel Company, Inc.	Delaware
Marriott Vacation Club Ownership II LLC	Delaware
Marriott Vacation Club Ownership LLC	Delaware
Marriott Vacation Properties of Florida, Inc.	Delaware
Marriott’s Desert Springs Development Corporation	Delaware
MH Kapalua Venture, LLC	Delaware
MORI Golf (Kauai), LLC	Delaware
MORI Member (Kauai), LLC	Delaware
MORI Residences, Inc.	Delaware
MORI SPC 2005-1 Corp.	Delaware
MORI SPC 2005-2 Corp.	Delaware
MORI SPC 2006-1 Corp.	Delaware
MORI SPC 2006-2 Corp.	Delaware
MORI SPC 2007-1 Corp.	Delaware
MORI SPC Corp.	Delaware
MORI SPC II, Inc.	Delaware
MORI SPC III Corp.	Delaware
MORI SPC Series Corp.	Delaware
MORI SPC V Corp.	Delaware
MORI SPC VI Corp.	Delaware
MORI SPC VII Corp.	Delaware
MTSC, INC.	Delaware
MVCO 2005-1 LLC	Delaware
MVCO 2005-2 LLC	Delaware
MVCO 2006-1 LLC	Delaware
MVCO 2006-2 LLC	Delaware
MVCO 2007-1 LLC	Delaware

Subsidiary	Jurisdiction of Organization
MVCO Series LLC	Delaware
RBF, LLC	Delaware
R.C. Chronicle Building, LP	Delaware
RCC (GP) Holdings LLC	Delaware
RCC (LP) Holdings L.P.	Delaware
RCDC 942, L.L.C.	Delaware
RCDC Chronicle, LLC	Delaware
The Cobalt Travel Company, LLC	Delaware
The Lion & Crown Travel Co., LLC	Delaware
The Ritz-Carlton Development Company, Inc.	Delaware
The Ritz-Carlton Management Company, LLC	Delaware
The Ritz-Carlton Sales Company, Inc.	Delaware
The Ritz-Carlton Title Company, Inc.	Delaware
MVW International Holding Company	Luxembourg
AP Resorts (Macau) Pte Ltd	Macau
AP Resorts Bangkok Limited	Hong Kong
Aruba Finance Holdings B.V.	Netherlands
Cabrita Partners, LLC	Virgin Islands -US
Club Resorts #1 Australia Ltd.	Australia
Costa del Sol Development Company N.V.	Aruba
Financiere 47 Park St Ltd	United Kingdom
Fortyseven Park St Ltd	United Kingdom
Hat 64	Cayman Islands
Marriott Ownership Resorts (Bahamas) Limited	Bahamas
Marriott Resorts Hospitality (Bahamas) Ltd.	Bahamas
Marriott Vacation Club Timesharing GmbH	Austria
MGRC Management Limited	United Kingdom
Marriott Resorts Hospitality of Aruba, N.V.	Aruba
Marriott Ownership Resorts (St. Thomas), Inc.	Virgin Islands -US
MVCI (Thailand) Limited	Thailand
MVCI AP Macau Marketing Pte Ltd.	Macau
MVCI Asia Pacific Finance Pte	Hong Kong
MVCI Asia Pacific Pte. Ltd	Singapore
MVCI Australia Pty Ltd	Australia
MVCI Egypt B.V.	Netherlands
MVCI Europe Limited	United Kingdom
MVCI Finance CV	Aruba
MVCI France SAS	France
MVCI Holdings B.V.	Netherlands
MVCI Holidays France SAS	France
MVCI Holidays, S.L.	Spain
MVCI Ireland, Ltd.	Ireland
MVCI Management, S.L.	Spain
Marriott Vacation Club International of Aruba N.V.	Aruba
Marriott Vacation Club International of Japan, Inc.	Japan
MVCI Playa Andaluza Holidays S.L.	Spain
MVCI Puerto Rico, Inc.	Puerto Rico
MVCI Services, Ltd.	Ireland

Subsidiary	Jurisdiction of Organization
MVCI St. Kitts Company Limited	St. Kitts and Nevis
MVCIAP Hong Kong PTE Ltd	Hong Kong
Promociones Marriott S.A. de C.V.	Mexico
R.M. Mexicana S.A. de C.V.	Mexico
RC Abaco Holding Company Ltd	Virgin Islands - BR
RC Management Company Bahamas Ltd.	Bahamas
The Abaco Club RC Ltd	Bahamas
The Ritz-Carlton Club, St. Thomas, Inc.	Virgin Islands - US

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

MARRIOTT VACATIONS WORLDWIDE CORPORATION
(a Delaware corporation)

Marriott Vacations Worldwide Corporation (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify as follows:

1. The name of the Corporation is Marriott Vacations Worldwide Corporation. The Corporation was originally incorporated under the name Marriott Vacations Worldwide Corporation by the filing of its original certificate of incorporation of the Corporation (the "Original Certificate of Incorporation") with the office of the Secretary of State of the State of Delaware on June 21, 2011.

2. This Restated Certificate of Incorporation (the "Certificate of Incorporation"), which both restates and integrates and further amends the provisions of the Original Certificate of Incorporation, as amended prior to the effective time of the filing of this Restated Certificate of Incorporation, was duly adopted by the Board of Directors of the Corporation (the "Board of Directors") and by the sole stockholder of the Corporation in accordance with Sections 228, 242 and 245 of the DGCL.

3. This Restated Certificate of Incorporation shall become effective at 11:59 p.m. (local time in Wilmington, Delaware) on November 20, 2011.

4. The text of the Certificate of Incorporation is hereby amended and restated in its entirety as follows:

ARTICLE I
NAME

The name of the corporation is Marriott Vacations Worldwide Corporation (the "Corporation").

ARTICLE II
AGENT

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, zip code 19808. The registered agent thereof is Corporation Service Company.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in, promote, and carry on any lawful acts or activities for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV
STOCK

Section 4.1 Authorized Stock. The aggregate number of shares which the Corporation shall have authority to issue is 102,000,000, of which 100,000,000 shall be designated as Common Stock, par value $0.01 per share (the "Common Stock"), and 2,000,000 shall be designated as Preferred Stock, par value $0.01 per share (the "Preferred Stock").

Section 4.2 No Class Vote on Changes in Authorized Number of Shares of Stock. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock conferred in this Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock), the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote generally in the election of directors irrespective of the provisions of Section 242(b)(2) of the DGCL.

Section 4.3 Common Stock.

(a) Voting. Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Dividends. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends out of any funds of the Corporation legally available therefor when, as and if declared by the Board of Directors.

(c) Liquidation. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

Section 4.4 Preferred Stock. Subject to limitations prescribed by law and the provisions of this Article IV, the Board of Directors is hereby authorized to provide by resolution for the issuance of the shares of Preferred Stock in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, privileges, preferences, and relative participating, optional or other rights, if any, of the shares of each such series and the qualifications, limitations or restrictions thereof.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(i) the number of shares constituting such series, including any increase or decrease in the number of shares of any such series (but not below the number of shares in any such series then outstanding), and the distinctive designation of such series;

(ii) the dividend rate on the shares of such series, if any, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(iii) whether the shares of such series shall have voting rights (including multiple or fractional votes per share) in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) whether the shares of such series shall have conversion privileges, and, if so, the terms and conditions of such privileges, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) whether or not the shares of such series shall be redeemable, and if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption rates;

(vi) whether a sinking fund shall be provided for the redemption or purchase of shares of such series, and, if so, the terms and the amount of such sinking fund;

(vii) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of such series; and

(viii) any other relative rights, preferences and limitations of such series.

ARTICLE V
BOARD OF DIRECTORS

Section 5.1 Number. Except as otherwise provided for or fixed pursuant to the provisions of Article IV of this Certificate of Incorporation relating to the rights of holders of any series of Preferred Stock to elect additional directors in certain circumstances, the Board of Directors shall consist of such number of directors as is determined from time to time solely by resolution adopted by affirmative vote of a majority of such directors then in office.

Section 5.2 Classification.

(a) The Board of Directors (other than those directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of Article IV hereof (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the effectiveness of this Section 5.2; Class II directors shall initially serve until the second annual meeting of stockholders following the effectiveness of this Section 5.2; and Class III directors shall initially serve until the third annual meeting of stockholders following the effectiveness of this Section 5.2. Commencing with the first annual meeting of stockholders following the effectiveness of this Section 5.2, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of directors (other than Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal as possible.

(b) Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise provided by law, be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his successor shall be elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

(c) Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Article IV hereof, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66 2/3% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

(d) During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article IV hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

Section 5.3 Powers. Except as otherwise expressly provided by the DGCL or this Certificate of Incorporation, the management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors.

Section 5.4 Election.

(a) Ballot Not Required. The directors of the Corporation need not be elected by written ballot unless the Bylaws of the Corporation so provide.

(b) Notice. Advance notice of stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

ARTICLE VI
STOCKHOLDER ACTION

No action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders.

ARTICLE VII
SPECIAL MEETINGS OF STOCKHOLDERS

Except as otherwise provided for or fixed pursuant to the provisions of Article IV of this Certificate of Incorporation relating to the rights of holders of any series of Preferred Stock, a special meeting of the stockholders of the Corporation may be called at any time only by the Board of Directors, or by the Chairman of the Board of Directors with the concurrence of a majority of the Board of Directors. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting.

ARTICLE VIII
EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE IX
BUSINESS COMBINATIONS

In addition to any vote required by law, the affirmative vote of the holders of at least 66 2/3% in voting power of the issued and outstanding stock entitled to vote generally in the election of directors shall be required for the approval of any proposal for the Corporation to merge or consolidate with any other entity where a vote is otherwise required by law, or to sell, lease, or exchange substantially all of its assets or business.

ARTICLE X
AMENDMENT

Section 10.1 Amendment of Certificate of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred herein are granted subject to this reservation; provided, however, that in addition to any requirements of law and any other provision of this Certificate of Incorporation, and notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of the holders of at least 66 2/3% in voting power of the issued and outstanding stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision inconsistent with, Article V, Article VI, Article VII, Article IX and Article X of this Certificate of Incorporation.

Section 10.2 Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation. In addition to any requirements of law and any other provision of this Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding any other provision of this Certificate of Incorporation, the Bylaws of the Corporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of the holders of at least 66 2/3% in voting power of the issued and outstanding stock entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to amend, adopt or repeal any provision of the Bylaws of the Corporation.

ARTICLE XI
LIABILITY OF DIRECTORS

Section 11.1 No Personal Liability. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

Section 11.2 Amendment or Repeal. Any amendment, alteration or repeal of this Article XI that adversely affects any right of a director shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE XII
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 12.1 Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director, officer or employee of the Corporation or, while serving as a director, officer or employee of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, association, trust or other enterprise, including service with respect to an employee benefit plan (hereafter an "indemnitee"), or by reason of anything done or not done by him or her in any such capacity, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer or employee and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided that (i) except as otherwise provided by law with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (A) such indemnitee, or (B) the Corporation in a proceeding initiated by such indemnitee) only if such proceeding (or part thereof) was authorized or ratified by the board of directors and (ii) such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer or employee may be entitled.

Section 12.2 Advancement of Expenses. In addition to the right to indemnification conferred in Section 12.1, an indemnitee shall, to the fullest extent not prohibited by law, also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any proceeding with respect to which indemnification is required under Section 12.1 in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 12.2 or otherwise. Notwithstanding the foregoing, no advance shall be made by the Corporation if a determination is reasonably and promptly made by a majority vote of those directors who are not parties to such action, suit or proceeding, or, if there are no such directors or if such directors so direct, by independent legal counsel in a written opinion, that, based upon the facts known to such directors or counsel at the time such determination is made, such person acted in bad faith and in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal proceeding, that such person had reasonable cause to believe his or her conduct was unlawful.

ARTICLE XIII
FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the Bylaws of the Corporation, or (iv) any other action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XIII.

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IN WITNESS WHEREOF, this Restated Certificate of Incorporation which restates and integrates and further amends the provisions of the Original Certificate of Incorporation of this Corporation, as amended prior to the effective time of the filing of this Restated Certificate of Incorporation, and which has been duly adopted in accordance with Sections 228, 242 and 245 of the Delaware General Corporation Law, has been executed by its duly authorized officer as of the date set forth below.

MARRIOTT VACATIONS
WORLDWIDE CORPORATION

Dated: November 18, 2011

By: /s/ James H Hunter, IV
Name: James H Hunter, IV
Title: Executive Vice President and General Counsel

Exhibit 3.2

RESTATED BYLAWS

OF

MARRIOTT VACATIONS WORLDWIDE CORPORATION
(a Delaware corporation)

ARTICLE I
CORPORATE OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be fixed in the Certificate of Incorporation of the Corporation.

Section 1.2 Other Offices. The Corporation may also have an office or offices, and keep the books and records of the Corporation, except as may otherwise be required by law, at such other place or places, either within or without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 Annual Meeting. The annual meeting of stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as may be determined by the Board of Directors.

Section 2.2 Special Meeting. Subject to the rights of the holders of any series of Preferred Stock, a special meeting of the stockholders may be called at any time only by the Board of Directors, or by the Chairman of the Board of Directors with the concurrence of a majority of the Board of Directors.

Section 2.3 Notice of Stockholders' Meetings.

(a) Notice of the place, if any, date, and time of all meetings of the stockholders, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining the stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given, not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided herein or required by law. In the case of a special meeting, the purpose or purposes for which the meeting is called also shall be set forth in the notice. Notice may be given personally, by mail or by electronic transmission in accordance with Section 232 of the General Corporation Law of the State of Delaware (the "DGCL"). If mailed, such notice shall be deemed given when deposited in the United

States mail, postage prepaid, directed to each stockholder at such stockholder's address appearing on the books of the Corporation or given by the stockholder for such purpose. Notice by electronic transmission shall be deemed given as provided in Section 232 of the DGCL. An affidavit of the mailing or other means of giving any notice of any stockholders' meeting, executed by the Secretary, Assistant Secretary or any transfer agent of the Corporation giving the notice, shall be prima facie evidence of the giving of such notice or report. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the "householding" rules set forth in Rule 14a-3(e) under the Exchange Act and Section 233 of the DGCL.

(b) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than 30 days after the date for which the meeting was originally called, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 7.7(a) of these Bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting.

(c) Notice of any meeting of stockholders may be waived in writing, either before or after the meeting, and to the extent permitted by law, will be waived by any stockholder by attendance thereat, in person or by proxy, except when the person objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 2.4 Organization.

(a) Meetings of stockholders shall be presided over by the Chairman of the Board of Directors, if any, or in his or her absence by a person designated by the Board of Directors, or in the absence of a person so designated by the Board of Directors, by a Chairman chosen at the meeting by the holders of a majority in voting power of the stock entitled to vote thereat, present in person or represented by proxy. The Secretary, or in his or her absence, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the Chairman of the meeting shall appoint, shall act as Secretary of the meeting and keep a record of the proceedings thereof.

(b) The Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the Chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such Chairman, are necessary, appropriate or convenient for the proper

conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies and such other persons as the Chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot.

Section 2.5 List of Stockholders. The officer who has charge of the stock ledger shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date. Such list shall be arranged in alphabetical order and shall show the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.5 or to vote in person or by proxy at any meeting of stockholders.

Section 2.6 Quorum. At any meeting of stockholders, the holders of a majority in voting power of all issued and outstanding stock entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided that where a separate vote by a class or series is required, the holders of a majority in voting power of all issued and outstanding stock of such class or series entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to such matter. If a quorum is not present or represented at any meeting of stockholders, then the Chairman of the meeting or the holders of a majority in voting power of the stock entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time in accordance with Section 2.7, without notice other than announcement at the meeting and except as provided in Section 2.3(b), until a quorum is present or represented. If a quorum initially is present at any meeting of stockholders, the stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, but if a quorum is not present at least initially, no business other than adjournment may be transacted.

Section 2.7 Adjourned Meeting. Any annual or special meeting of stockholders, whether or not a quorum is present, may be adjourned for any reason from time to time by either the Chairman of the meeting or the holders of a majority in voting power of the stock entitled to vote thereat, present in person or represented by proxy. At any such adjourned meeting at which a quorum may be present, any business may be transacted that might have been transacted at the meeting as originally called.

Section 2.8 Voting.

(a) Except as otherwise provided by law or the Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock), each holder of stock of the Corporation entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of such stock held of record by such holder on all matters submitted to a vote of stockholders of the Corporation.

(b) Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders at which a quorum is present, all corporate actions to be taken by vote of the stockholders shall be authorized by the affirmative vote of the holders of a majority in voting power of the votes cast, present in person or represented by proxy, and where a separate vote by class or series is required, if a quorum of such class or series is present, such act shall be authorized by the affirmative vote of the holders of a majority in voting power of the votes cast, present in person or represented by proxy.

Section 2.9 Proxies. Every person entitled to vote for directors, or on any other matter, shall have the right to do so either in person or by one or more agents authorized by a written proxy, which may be in the form of a telegram, cablegram or other means of electronic transmission, signed by the person and filed with the Secretary of the Corporation, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy by the stockholder or the stockholder's attorney-in-fact. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary of the Corporation. A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of such death or incapacity is received by the Corporation.

Section 2.10 Notice of Stockholder Business and Nominations.

(a) Annual Meeting.

(i) Nominations of persons for election to the Board of Directors and the proposal of business other than nominations to be considered by the stockholders may be made at an annual meeting of stockholders only

(A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(a) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.10(a).

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of the foregoing paragraph, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the date on which public announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or re-election as a director (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such stockholder and the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), if any, on whose behalf the proposal is made;

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made or the business is proposed:

(1) the name and address of such stockholder, as they appear on the Corporation's books, and the name and address of such beneficial owner,

(2) the class and number of shares of capital stock of the Corporation which are owned of record by such stockholder and such beneficial owner as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class and number of shares of capital stock of the Corporation owned of record by the stockholder and such beneficial owner as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below), and

(3) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such nomination or business;

(D) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the nomination is made or the business is proposed, as to such beneficial owner:

(1) the class and number of shares of capital stock of the Corporation which are beneficially owned (as defined below) by such stockholder or beneficial owner as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class and number of shares of capital stock of the Corporation beneficially owned by such stockholder or beneficial owner as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(2) a description of any agreement, arrangement or understanding with respect to the nomination or other business between or among such stockholder or beneficial owner and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Exchange Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or beneficial owner) and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(3) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder or beneficial owner, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class of the Corporation's capital stock, or maintain, increase or decrease the voting power of the stockholder or beneficial owner with respect to shares of stock of the Corporation, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(iii) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation, including information relevant to a determination whether such proposed nominee can be considered an independent director. Notwithstanding anything in Section 2.10(a)(ii) above to the contrary, if the record date for determining the stockholders entitled to vote at any meeting of stockholders is different from the record date for determining the stockholders entitled to notice of the meeting, a stockholder's notice required by this Section 2.10(a) shall set forth a representation that the stockholder will notify the Corporation in writing within five business days after the record date for determining the stockholders entitled to vote at the meeting, or by the opening of business on the date of the meeting (whichever is earlier), of the information required under clauses (a)(ii)(C)(2) and (a)(ii)(D)(1)-(3) of this Section 2.10, and such information when provided to the Corporation shall be current as of the record date for determining the stockholders entitled to vote at the meeting.

(iv) This Section 2.10(a) shall not apply to a proposal proposed to be made by a stockholder if the stockholder has notified the Corporation of his or her intention to present the proposal at an annual or special meeting only pursuant to and in compliance with Rule 14a-8 under the Exchange Act and such proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such meeting.

(v) Notwithstanding anything in this Section 2.10(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement naming all of the nominees for directors or specifying the size of the increased Board of Directors made by the Corporation at least 10 days before the last day a

stockholder may deliver a notice of nomination in accordance with Section 2.10(a)(ii), a stockholder's notice required by this Section 2.10(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(b) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 2.10. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the notice required by paragraph (a)(ii) of this Section 2.10 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(i) Except as otherwise provided by law, only such persons who are nominated in accordance with the procedures set forth in this Section 2.10 shall be eligible to be elected at any meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.10. The Chairman of the Board of Directors shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.10. If any proposed nomination or business was not made or proposed in compliance with this Section 2.10, then except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.

Notwithstanding the foregoing provisions of this Section 2.10, unless otherwise required by law, if the stockholder does not provide the information required under clauses (a)(ii)(C)(2) and (a)(ii)(D)(1)-(3) of this Section 2.10 to the Corporation within the times frames specified herein, or if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.10, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the making of such nomination or proposal at such meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(ii) For purposes of this Section 2.10, a "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act. For purposes of clause (a)(ii)(D)(1) of this Section 2.10, shares shall be treated as "beneficially owned" by a person if the person beneficially owns such shares, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Regulations 13D and 13G thereunder or has or shares pursuant to any agreement, arrangement or understanding (whether or not in writing): (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition or both), (B) the right to vote such shares, alone or in concert with others and/or (C) investment power with respect to such shares, including the power to dispose of, or to direct the disposition of, such shares.

(iii) Nothing in this Section 2.10 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock).

Section 2.11 Inspectors of Election. Before any meeting of stockholders, the Board of Directors shall appoint one or more inspectors of election to act at the meeting or its adjournment. If any person appointed as inspector fails to appear or fails or refuses to act, then the Chairman of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy. Inspectors need not be stockholders. No director or nominee for the office of director shall be appointed such an inspector.

Such inspectors shall:

(a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;

(b) receive votes, ballots or consents;

(c) hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) count and tabulate all votes or consents;

(e) determine when the polls shall close;

(f) determine the result; and

(g) do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. Any report or certificate made by the inspectors of election shall be prima facie evidence of the facts stated therein.

Section 2.12 Meetings by Remote Communications. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the DGCL. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication (a) participate in a meeting of stockholders and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder; (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III
DIRECTORS

Section 3.1 Powers. Subject to the provisions of the DGCL and to any limitations in the Certificate of Incorporation or these Bylaws relating to action required to

be approved by the stockholders, the business and affairs of the Corporation shall be managed and shall be exercised by or under the direction of the Board of Directors. In addition to the powers and authorities these Bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws required to be exercised or done by the stockholders.

Section 3.2 Number, Term of Office and Election. The Board of Directors shall consist of such number of directors as determined from time to time in accordance with the Certificate of Incorporation. With the exception of the first Board of Directors and except as provided in Section 3.3, directors shall be elected by a plurality of the votes cast at the stockholders' annual meeting in each year. Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed.

Section 3.3 Vacancies. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled in accordance with the Certificate of Incorporation.

Section 3.4 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chairman of the Board of Directors or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board of Directors, the Chairman of the Board of Directors or the Secretary, as the case may be. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.5 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates and at such time or times, as shall have been established by the Board of Directors and publicized among all directors; provided that no fewer than one regular meeting per year shall be held. A notice of each regular meeting shall not be required.

Section 3.6 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors, the Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of such meetings. Notice of each such meeting shall be given to each director, if by mail, addressed to such director as his or her residence or usual place of business, at least five days before the day on which such meeting is to be held, or shall be sent to such director at such place by telecopy, telegraph, electronic transmission or other form of recorded communication, or be delivered personally or by telephone, in each case at least 24 hours prior to the time set for such meeting. Notice of any meeting need not be given to director who shall, either before or after the meeting, submit a waiver of such notice or who shall attend such meeting without protesting, prior to or at its

commencement, the lack of notice to such director. A notice of special meeting need not state the purpose of such meeting, and, unless indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 3.7 Participation in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

Section 3.8 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, a majority of the authorized number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. The Chairman of the meeting or a majority of the directors present may adjourn the meeting to another time and place whether or not a quorum is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. If a quorum initially is present at any meeting of directors, the directors may continue to transact business, notwithstanding the withdrawal of enough directors to leave less than a quorum, upon resolution of at least a majority of the required quorum for that meeting prior to the loss of such quorum.

Section 3.9 Board of Directors Action by Written Consent Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, provided that all members of the Board of Directors consent in writing or by electronic transmission to such action, and the writing or writings or electronic transmission or transmissions are filed with the minutes or proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 3.10 Chairman of the Board. The Chairman of the Board shall preside at meetings of stockholders and directors and shall perform such other duties as the Board of Directors may from time to time determine. If the Chairman of the Board is not present at a meeting of the Board of Directors, another director chosen by the Board of Directors shall preside.

Section 3.11 Rules and Regulations. The Board of Directors shall adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings and management of the affairs of the Corporation as the Board of Directors shall deem proper.

Section 3.12 Fees and Compensation of Directors. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by resolution of the Board of Directors.

Section 3.13 Emergency Bylaws. In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee of the Board of Directors cannot readily be convened for action, then the director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board of Directors as they shall deem necessary and appropriate.

ARTICLE IV
COMMITTEES

Section 4.1 Committees of the Board of Directors. The Board of Directors may, by resolution, designate one or more committees, including but not limited to an Executive Committee and an Audit Committee, each such committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation. All committees of the Board of Directors shall keep minutes of their meetings and shall report their proceedings to the Board of Directors when requested or required by the Board of Directors.

Section 4.2 Meetings and Action of Committees. Any committee of the Board of Directors may adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings as such committee may deem proper.

ARTICLE V
OFFICERS

Section 5.1 Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, a Secretary, a Treasurer, a Controller and such other officers as the Board of Directors may

from time to time determine, each of whom shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be chosen by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal. Any two of such offices may be held by the same person; provided, however, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Certificate of Incorporation or these Bylaws to be executed, acknowledged or verified by two or more officers.

Section 5.2 Compensation. The salaries of the officers of the Corporation and the manner and time of the payment of such salaries shall be fixed and determined by the Board of Directors and may be altered by the Board of Directors from time to time as it deems appropriate, subject to the rights, if any, of such officers under any contract of employment.

Section 5.3 Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon written notice to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified.

Section 5.4 Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board of Directors. Unless otherwise provided in these Bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer.

Section 5.5 President. The President shall be the chief operating officer of the Corporation, with general responsibility for the management and control of the operations of the Corporation. The President shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

Section 5.6 Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the Chief Financial Officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

Section 5.7 Vice Presidents. The Vice President shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

Section 5.8 Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

Section 5.9 Controller. The Controller shall provide and maintain financial and accounting controls over the business and affairs of the Corporation and shall perform such other duties and exercise such other powers as are normally incident to the office of the Controller. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may from time to time determine.

Section 5.10 Secretary and Assistant Secretaries. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine. In the absence or disability of the Secretary, an Assistant Secretary shall perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 5.11 Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary, but each such individual shall not qualify as an officer unless so designated by the Board of Directors. Any employee so designated shall have

the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

Section 5.12 Checks; Drafts; Evidences of Indebtedness. From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes, bonds, debentures or other evidences of indebtedness that are issued in the name of or payable by the Corporation, and only the persons so authorized shall sign or endorse such instruments.

Section 5.13 Corporate Contracts and Instruments; How Executed. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or, in the case of an officer, within the power incident to such person's office, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 5.14 Action with Respect to Securities of Other Corporations. The Chief Executive Officer or any other officer of the Corporation authorized by the Board of Directors or the Chief Executive Officer is authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

ARTICLE VI
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.1 Right to Indemnification.

(a) Each person who was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative or legislative hearing, investigation or any other threatened, pending or completed proceeding, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative or other nature (hereinafter a "proceeding") (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a director, officer or employee of the Corporation or while a director, officer or employee of the Corporation is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, association, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), or by reason of anything done or not done by him or her in any such capacity, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in case of any such amendment, only to the extent that such amendment permits the Corporation to

provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement by or on behalf of the indemnitee) actually and reasonably incurred by such indemnitee in connection therewith; provided, however, that, (i) except as otherwise required by law or provided in Section 6.3 with respect to proceedings to enforce rights under this Article VI, the Corporation shall indemnify any such indemnitee in connection with a proceeding, or part thereof, initiated by such indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (A) such indemnitee, or (B) the Corporation in a proceeding initiated by such indemnitee) only if such proceeding, or part thereof, was authorized or ratified by the Board of Directors and (ii) such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

(b) The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer or employee of the Corporation, or while a director, officer or employee of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, association, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer or employee of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Section 6.1, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. For purposes of determining the reasonableness of any such expenses, a certification to such effect by a licensed attorney, which licensed attorney may have acted as counsel to any such director, officer or employee, shall be binding upon the Corporation unless the Corporation establishes that the certification was made in bad faith.

(d) To receive indemnification under this Section 6.1, an indemnitee shall submit a written request to the Secretary of the Corporation. Such request shall include documentation or information that is necessary to determine the entitlement of the indemnitee to indemnification and that is reasonably available to the indemnitee. Upon receipt by the Secretary of the Corporation of such a written request, the entitlement of the indemnitee to indemnification shall be determined by the following person or persons who shall be empowered to make such determination: (i) the Board of Directors by a majority vote of the directors who are not parties to such proceeding, whether or not such majority constitutes a quorum, (ii) a committee of such directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the indemnitee, (iv) the stockholders of the Corporation or (v) in the event that a change of control (as defined below) has occurred, by independent legal counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the indemnitee. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the Corporation not later than 60 days after receipt by the Secretary of the Corporation of a written request for indemnification. For purposes of this Section 6.1(d), a "change of control" will be deemed to have occurred if the individuals who, as of the effective date of these Bylaws, constitute the Board of Directors (the "incumbent board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to such effective date whose election, or nomination for election by the stockholders of the Corporation, was approved by a vote of at least a majority of the directors then comprising the incumbent board shall be considered as though such individual were a member of the incumbent board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors.

Section 6.2 Right to Advancement of Expenses.

(a) In addition to the right to indemnification conferred in Section 6.1, an indemnitee shall, to the fullest extent not prohibited by law, also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any proceeding with respect to which indemnification is required under Section 6.1 in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 6.2 or otherwise.

(b) To receive an advancement of expenses under this Section 6.2, an indemnitee shall submit a written request to the Secretary of the Corporation. Such request shall reasonably evidence the expenses incurred by the indemnitee and shall include or be accompanied by the undertaking required by Section 6.2(a). Each such advancement of expenses shall be made within 30 days after the receipt by the Secretary of the Corporation of a written request for advancement of expenses.

(c) Notwithstanding the foregoing, no advance shall be made by the Corporation if a determination is reasonably and promptly made by a majority vote of those directors who are not parties to such action, suit or proceeding, or, if there are no such directors or if such directors so direct, by independent legal counsel in a written opinion, that, based upon the facts known to such directors or counsel at the time such determination is made, such person acted in bad faith and in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or, with respect to any criminal proceeding, that such person had reasonable cause to believe his or her conduct was unlawful.

Section 6.3 Right of Indemnitee to Bring Suit. In the event that a determination is made that the indemnitee is not entitled to indemnification or if payment is not timely made following a determination of entitlement to indemnification pursuant to Section 6.1(d) or if an advancement of expenses is not timely made under Section 6.2(b), the indemnitee may at any time thereafter bring suit against the Corporation in a court of competent jurisdiction in the State of Delaware seeking an adjudication of entitlement to such indemnification or advancement of expenses. If the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit to the fullest extent permitted by law. In any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Further, in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the Corporation.

Section 6.4 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law, agreement, vote of stockholders or directors, provisions of the Certificate of Incorporation or these Bylaws or otherwise.

Section 6.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, association, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL. The Corporation may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

Section 6.6 Indemnification of Agents of the Corporation. The Corporation may, to the extent authorized from time to time, grant rights to indemnification and to the advancement of expenses to any agent of the Corporation to the fullest extent of the provisions of this Article VI with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

Section 6.7 Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights that shall vest at the time an individual becomes a director, officer or employee of the Corporation and such rights shall continue as to an indemnitee who has ceased to be a director, officer or employee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

Section 6.8 Settlement of Claims. The Corporation shall not be liable to indemnify any indemnitee under this Article VI for any amounts paid in settlement of any proceeding effected without the Corporation's written consent, which consent shall not be unreasonably withheld, or for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such proceeding.

Section 6.9 Subrogation. In the event of payment under this Article VI, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 6.10 Severability. If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the Corporation provide protection to the indemnitee to the fullest enforceable extent.

ARTICLE VII
CAPITAL STOCK

Section 7.1 Certificates of Stock. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation certifying the number of shares owned by such holder in the Corporation. Any or all such signatures may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 7.2 Special Designation on Certificates. If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 7.2 or Section 156, 202(a) or 218(a) of the DGCL or with respect to this Section 7.2 a statement that the Corporation

will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 7.3 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation upon authorization by the registered holder thereof or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary or a transfer agent for such stock, and if such shares are represented by a certificate, upon surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of any taxes thereon; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer.

Section 7.4 Lost Certificates. The Corporation may issue a new share certificate or new certificate for any other security in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or the owner's legal representative to give the Corporation a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. The Board of Directors may adopt such other provisions and restrictions with reference to lost certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

Section 7.5 Addresses of Stockholders. Each stockholder shall designate to the Secretary an address at which notices of meetings and all other corporate notices may be served or mailed to such stockholder and, if any stockholder shall fail to so designate such an address, corporate notices may be served upon such stockholder by mail directed to the mailing address, if any, as the same appears in the stock ledger of the Corporation or at the last known mailing address of such stockholder.

Section 7.6 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

Section 7.7 Record Date for Determining Stockholders.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and

which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than 60 days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.8 Regulations. The Board of Directors may make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares of stock of the Corporation.

ARTICLE VIII
GENERAL MATTERS

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 8.2 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 8.3 Maintenance and Inspection of Records. The Corporation shall, either at its principal executive office or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books and other records.

Section 8.4 Reliance Upon Books, Reports and Records. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 8.5 Subject to Law and Certificate of Incorporation. All powers, duties and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the Certificate of Incorporation and applicable law.

ARTICLE IX
AMENDMENTS

Section 9.1 Amendments. These Bylaws may be amended from time to time as set forth in the Certificate of Incorporation.

The foregoing Bylaws were adopted by the Board of Directors on October 25, 2011, effective as of 11:59 p.m. (local time in Wilmington, Delaware) on November 20, 2011.

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

1050 Connecticut Avenue, N.W.
Washington, DC 20036-5306
Tel 202.955.8500
www.gibsondunn.com

November 22, 2011

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Orlando, FL 32821

Re: Marriott Vacations Worldwide Corporation
Registration Statement on Form S-8
Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-8 (the "Registration Statement") of Marriott Vacations Worldwide Corporation, a Delaware corporation (the "Company"), filed on November 7, 2011, with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offering by the Company of up to 6,000,000 shares (the "Shares") of the Company's common stock, par value $0.01 per share, that will be issuable pursuant to the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan (the "Plan"). The Shares will be issuable pursuant to the Plan to eligible employees and non-employee directors of the Company and pursuant to the Plan awards granted pursuant to the anti-dilution adjustment provisions of the Marriott International, Inc. Stock and Cash Incentive Plan, as amended (the "Marriott Plan"), to employees and non-employee directors of Marriott International, Inc. and the Company who held awards under the Marriott Plan immediately prior to the pro rata distribution of the Common Stock to complete the spin-off of the Company from Marriott International, Inc.

In addition to examining the Registration Statement, the Plan, the Company' Restated Certificate of Incorporation and the Company's Bylaws, we have examined the originals, or photostatic or certified copies, of such records of the Company and certificates of officers of the Company and of public officials and such other documents as we have deemed relevant and necessary as the basis for the opinions set forth below. In our examination, we have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. We have also assumed that there are no agreements or understandings between or among the Company and any participants in the Plan that would expand, modify or otherwise affect the terms of the Plan or the respective rights or obligations of the participants thereunder. Finally, we have assumed the accuracy of all other information provided to us by the Company during the course of our investigations, on which we have relied in issuing the opinion expressed below.

Based upon the foregoing examination and in reliance thereon, and subject to the assumptions stated and in reliance on statements of fact contained in the documents that we have examined, we are of the opinion that when the Shares have been issued and sold in accordance with the terms set forth in the Plan for the consideration provided for therein, the Shares will be validly issued, fully paid and non-assessable.

The opinions contained herein relate solely to the Delaware General Corporation Law, and we express no opinion concerning the laws of any other jurisdiction. We also express no opinion regarding the effectiveness of any waiver (whether or not stated as such) contained in the Plan of the rights of any party, or duties owing to it, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity or any provision in the Plan relating to indemnification, exculpation or contribution. This opinion supersedes our opinion dated November 7, 2011.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission.

Very truly yours,

/s/ Gibson, Dunn & Crutcher LLP

LICENSE, SERVICES AND DEVELOPMENT AGREEMENT

BETWEEN

MARRIOTT INTERNATIONAL, INC. AND MARRIOTT WORLDWIDE CORPORATION

AND

MARRIOTT VACATIONS WORLDWIDE CORPORATION

FOR

MARRIOTT PROJECTS

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LICENSE, SERVICES, AND DEVELOPMENT AGREEMENT

This License, Services, and Development Agreement ("License Agreement" or "Agreement") is executed on the 17th day of November, 2011, to be effective as of 12:01 am New York City time on the 19th day of November 2011 ("Effective Date") by Marriott International, Inc., a Delaware corporation ("MII"), and Marriott Worldwide Corporation, a Maryland corporation ("MWC") (MII and MWC are referred to collectively herein as "Licensor"), and Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee").

RECITALS

A. Licensor owns, or has the right to use and sublicense, the Licensed Marks and the System.

B. Prior to the Spin-Off Transaction (defined below), Licensee was a wholly-owned subsidiary of MII and through affiliates has been operating the Destination Club Business and Whole Ownership Residential Business by developing, selling, marketing, operating and financing Destination Club Projects and Residential Projects under the Licensed Marks and the System since 1984 pursuant to an inter-company arrangement between Licensor and/or its Affiliates and Licensee.

C. As a result of the planned spin-off of Licensee pursuant to the Separation and Distribution Agreement (the "Spin-Off Transaction"), Licensee will no longer be a wholly-owned subsidiary of MII and will be a separate entity.

D. Licensee desires to continue operating the Licensed Business, including operating the Existing Projects and developing and operating New Projects, under the Licensed Marks and the System and wishes to obtain a license to use the System and the Licensed Marks for these purposes.

E. Licensee or its Affiliates have or may engage Licensor or its Affiliates to manage the Licensor Managed Projects under separate Licensor Management Agreements. Certain provisions of this Agreement will not apply, or may apply in a different manner, to Licensor Managed Projects, as contemplated in Section 27.

F. Licensor or its Affiliates will provide certain services to Licensee and its Affiliates with respect to the Licensed Business in accordance with the terms hereof.

G. Contemporaneously with the execution of this Agreement, The Ritz-Carlton Hotel Company, LLC and Licensee are entering into a License, Services, and Development Agreement (the "Ritz-Carlton License Agreement") under which, among other things, Licensee will be granted the right to the develop and operate Destination Club Projects and Residential Projects under the Ritz-Carlton name and trademarks. Licensee acknowledges and agrees that the Ritz-Carlton License Agreement shall govern the relationship between Ritz-Carlton and Licensee with respect to such matters, and, except for the indemnity in Section 16.1.A, this Agreement shall not apply to such relationship.

H. All capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Exhibit A.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Licensee and Licensor agree as follows:

1. LICENSE

A. Subject to all of the reservations of rights and exceptions to and limitations on exclusivity set forth in this Agreement and the Noncompetition Agreement, Licensor hereby grants to Licensee within the Territory, and Licensee accepts, under the terms hereof:

(i) (x) a limited, exclusive license during the Term to use the Licensed Marks and the System for the activities described in (i) through (vi) of the definition of Destination Club Business, (y) a limited, exclusive license during the Term to use the names and marks described in (i) through (iv) of the definition of Licensed Marks for the activities described in (vii) of the definition of Destination Club Business, and (z) a limited, non-exclusive license during the Term to use the names and marks described in (v) and (vi) of the definition of Licensed Marks and the System for the activities described in (vii) of the definition of Destination Club Business, all in connection with the operation of the Licensed Destination Club Business, including the operation of Existing Projects and the development and operation of New Projects, in accordance with the System and this Agreement; and

(ii) (x) a limited, exclusive license during the Term to use the mark "Grand Residences by Marriott" and the Licensed Project Names for the Whole Ownership Residential Business, and (y) a limited, non-exclusive license during the Term to use the System and other Licensed Marks for the Whole Ownership Residential Business, all in connection with the operation of the Licensed Whole Ownership Residential Business, including the operation of Existing Projects and the development and operation of New Projects, in accordance with the System and this Agreement;

provided, however,

(a) Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee's or its Affiliates' use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A); and

(b) Licensee shall have no right under this Agreement to develop, own, operate, or manage, any Licensed Destination Club Products other than as Leisure/Vacation Products.

Such limited license grant also includes any nonexclusive uses of Licensor Intellectual Property permitted during the "tail period" as set forth in Section 4.2. Except for the rights granted exclusively in this Agreement, the rights granted in this Agreement are non-exclusive.

B. The limited license grant herein also includes the non-exclusive right by Licensee to use the name and mark "Marriott" as part of "Marriott Golf" (but not the name "Marriott" used by itself or with other words, terms, designs or other elements) in connection with the operation of Faldo Golf Facilities and other Existing Golf Facilities under the "Marriott Golf" name and in connection with the development and operation of future golf facilities that are located at or in the general vicinity of New Projects and that have been approved in writing by Licensor in accordance with the terms and conditions of this Agreement. All such golf facilities shall be developed and operated in accordance with the Brand Standards, and all Faldo Golf Facilities shall be developed and operated to a standard consistent with the quality standard of the Faldo Golf Facilities that are existing as of the Effective Date. Effective as of the date of the Spin-Off Transaction, Licensor shall cause the applicable Licensor that owns the trademark registrations for marks containing the Faldo name and Faldo logo to assign to Licensee all of such party's rights in such Faldo Marks pursuant to an assignment agreement in the form agreed to by the parties.

Licensee agrees that if Licensor in the future decides to offer golf courses, facilities or services branded under the Faldo Marks in connection with Licensor Lodging Facilities or Licensor's golf or other activities ("Licensor Faldo Services") within any territory in which Licensee has rights, Licensee will seek to include such Licensor Faldo Services under Licensee's then-current contract with Faldo Enterprises and Sir Nick Faldo ("Faldo Contract"), in which case Licensor shall pay all fees, costs and expenses directly attributable to the Licensor Faldo Services as well as a proportionate share (as reasonably determined by Licensee) of fees, costs and expenses due under the Faldo Contract (such as the base fee) for services that are not directly attributable either to the Licensor Faldo Services or to golf courses, facilities or services provided solely by Licensee under the Faldo Marks. If Licensor or its Affiliates provide support or services to Licensee or its Affiliates in connection with Faldo Golf Facilities or Existing Golf Facilities or other golf facilities operating under the "Marriott Golf" name, Licensee shall pay the applicable fees to Licensor or its Affiliates for such services and/or support. Such fees will be fair, commercially reasonable, and, if applicable, consistent with fees charged to third parties for similar services and support related to such facilities. All Licensor Faldo Services shall be developed and operated in accordance with the Brand Standards and the Faldo Contract, and all Licensor Faldo Services shall be developed and operated to a standard consistent with the quality standard of the Faldo Golf Facilities that are existing as of the Effective Date.

C. Licensee shall have no right to use the Licensed Marks or Branded Elements in connection with the development or sales or the marketing, operating, managing or financing of units in a Condominium Hotel.

2. NONCOMPETITION AGREEMENT; EXCLUSIVITY AND RESERVED RIGHTS

2.1 Noncompetition Agreement.

In partial consideration for the parties' agreement to enter into this Agreement, Licensor and Licensee have entered into a Noncompetition Agreement ("Noncompetition Agreement") contemporaneously herewith under which Licensor and Licensee have agreed to certain noncompetition covenants, and the parties hereby agree to comply with the terms of the Noncompetition Agreement.

2.2 Exclusivity; Use of "Horizons" and "Grand Residences" Names.

A. Subject to the Noncompetition Agreement and Sections 2.3, 2.5, and 8.3.B. during the Term, neither Licensor nor its Affiliates will within the Territory:

(i) use, or license any third party to use, the Licensed Marks or the name and mark "Marriott" (other than as part of one or more corporate names of Licensor or its Affiliates) or the Branded Elements in connection with (u) developing or operating Destination Club Projects; (v) developing, selling, marketing, managing, operating, or financing Destination Club Products or Destination Club Units; (w) developing, selling, marketing, or operating Exchange Programs; (x) managing rental programs associated with Destination Club Products; (y) establishing or operating sales facilities for Destination Club Products; or (z) managing member services related to Destination Club Products;

(ii) use, or license any third party to use, the "Grand Residences by Marriott" trademark or the Licensed Project Names in connection with (v) developing or operating Residential Projects; (w) developing, selling, marketing, managing, operating, or financing Residential Units; (x) managing rental programs associated with Residential Projects; (y) establishing and operating sales facilities for Residential Units; or (z) managing owner services related to Residential Units;

(iii) use, or license any third party to use, the marks identified in (i) through (iv) of the definition of the Licensed Marks in connection with managing any businesses or services that are ancillary to the Destination Club Business or Lodging Business, such as travel insurance, or amenities of a Destination Club Project, Residential Project, or Licensor Lodging Facility, such as country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, but, for the avoidance of doubt, this provision does not prohibit Licensor from engaging in such businesses or providing such services under "Marriott" or other names or marks not contained within (i) through (iv) of the definition of the Licensed Marks; or

(iv) use, or license any third party to use, the Licensed Business Customer Information in connection with the marketing or selling of interests in Destination Club Units; provided, however, that to the extent that Customer Information concerning Licensor's Lodging Business includes Licensed Business Customer Information, such Customer Information may be used in such marketing or selling so long as such customers' ownership of Licensed Destination Club Products is not used specifically to target such customers in connection with such marketing and sales activities.

B. Neither Licensor nor its Affiliates will use the words "Horizons", "Grand Residences" (in such exact order and form), or the Licensed Project Names in connection with any Destination Club Project, Residential Project, or as the primary brand name for a Licensor Lodging Facility; provided, however, that Licensor and its Affiliates have no obligation to prohibit or otherwise restrict third-party owners, developers, managers, licensees or franchisees of Licensor Lodging Facilities from using such words in connection with a Destination Club Project or Residential Project if such words are already in use or established prior to Licensor's involvement with the Project, whether it is a part of, or adjacent to, any such Licensor Lodging Facility or otherwise.

2.3 Licensor's Reserved Rights.

A. Licensee agrees that, except as set forth in Section 2.2, in the Ritz-Carlton License Agreement, and in the Noncompetition Agreement, Licensor and its Affiliates expressly retain the right to (i) engage in any Destination Club Business under existing brands and brands that Licensor or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensor Intellectual Property in connection therewith; (ii) engage in any Whole Ownership Residential Business under existing brands and brands that Licensor or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensor Intellectual Property in connection therewith; (iii) accept advance deposits or payments for stays at Licensor Lodging Facilities; or (iv) accept multi-year advanced bookings for stays at Licensor Lodging Facilities (provided that any such multi-year advance bookings relate to specific, identified Licensor Lodging Facilities and not on a systemwide basis); all provided that, unless Licensee otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensee Intellectual Property.

B. For avoidance of doubt, Licensor and its Affiliates expressly retain the right to use the name and mark "Marriott" (but not the names and marks "Marriott Vacation Club" or "Grand Residences by Marriott", in such exact order and form) in connection with branding a passenger ship or cruise line or lodging facilities on a passenger ship or cruise line, provided, that Licensor and its Affiliates shall not use the Branded Elements for developing, selling, marketing, managing, operating, or financing Destination Club Products or Destination Club Units on a passenger ship or cruise line.

C. Licensee agrees that Licensor and its Affiliates expressly retain the right to (i) engage in the Lodging Business and any other business operations except the exclusively licensed aspects of the Destination Club Business, subject to the Noncompetition Agreement, the Ritz-Carlton License Agreement, and Sections 2.2 and 2.5; (ii) allow other Licensor Lodging Facilities operated, licensed, or franchised by Licensor or its Affiliates to use various components of the System (including the Reservation System) that are not used exclusively in connection with the Destination Club Business; and (iii) use the name and mark "Marriott" (but not the names and marks "Marriott Vacation Club" or "Grand Residences by Marriott", in such exact order and form) and Branded Elements in connection with developing, selling, marketing, managing, operating, and financing units in a Condominium Hotel; all provided that, unless Licensee otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensee Intellectual Property.

D. Licensor reserves all rights in the Licensor Intellectual Property not expressly and exclusively granted to Licensee in this Agreement, including without limitation any individual elements or components thereof.

E. Licensee acknowledges and agrees that, notwithstanding anything in this Agreement to the contrary, Licensor shall not be restricted in any manner from using the terms "vacation", "resort", "club", "lodge", "villa", "destination", or similar terms in connection with the development, promotion, or operation of any of Licensor's businesses or any geographic or locational aspect or designation that is part of a Licensed Project Name, for example, Licensor and its Affiliates would not be prohibited from using the term "St. Kitts" or the term "Beach", even though "St. Kitts Beach Club" is a Licensed Project Name.

2.4 Licensee's Reserved Rights.

A. Licensor agrees that, except as set forth in the Noncompetition Agreement and the Ritz-Carlton License Agreement, Licensee and its Affiliates expressly retain the right to engage in the Lodging Business; all subject to Section 9.3.B. and provided that, unless Licensor otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensor Intellectual Property or the Branded Elements.

B. Licensor agrees that, except with respect to such limitations as are set forth in this Agreement solely with respect to the Licensed Business and in the Ritz-Carlton License Agreement, Licensee and its Affiliates expressly retain the right to (i) engage in any Destination Club Business, including under existing Licensee brands (including under the "Horizons" and "Grand Residences" names without use or reference to the name "Marriott") and brands that Licensee or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensee Intellectual Property in connection therewith; and (ii) engage in any Whole Ownership Residential Business, including under existing Licensee brands (including under the "Horizons" and "Grand Residences" names without use or reference to the name "Marriott") and brands that Licensee or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensee Intellectual Property in connection therewith; all provided that, unless Licensor otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensor Intellectual Property or the Branded Elements, other than in connection with the Licensed Business.

C. Licensee reserves all rights in the Licensee Intellectual Property, including without limitation any individual elements or components thereof.

D. Licensor acknowledges and agrees that, other than as set forth in Section 2.5.B, Licensee shall not be restricted in any manner from using the terms “hotel”, “inn”, or similar terms in connection with the development, promotion, or operation of any of Licensee’s businesses.

2.5 Similar Lines of Businesses.

A. Subject to the Permitted Territorial Restrictions, nothing in this Agreement or in the Noncompetition Agreement is intended to prevent Licensor or its Affiliates from remaining competitive in its core Lodging Business due to the evolution of such business over time. Licensee agrees that Licensor and its Affiliates shall have the right to develop, offer, operate, market and promote products, benefits, services and rewards under any of the Proprietary Marks (other than the names and marks “Marriott Vacation Club” or “Grand Residences by Marriott”, in such exact order and form) and using the Branded Elements that fall within the definition of “Licensed Destination Club Business”, but only to the extent that such products, benefits, services and rewards are substantially similar to the products, benefits, services and rewards that are not currently, but may in the future be, provided by other international hotel operators or franchisors as part of their hotel business (and not as a separate line of business). Licensor must give prior notice to Licensee if it intends to offer such products, benefits, services or rewards at least thirty (30) days prior to offering such products, benefits, services or rewards. Licensor and its Affiliates shall not call or refer to any of its properties (or any such products, benefits, services or rewards) as “timeshare”, “fractional” “vacation club”, or “destination club” or similar terms commonly used for Destination Club Projects.

B. (i) Subject to the Permitted Territorial Restrictions, nothing in this Agreement or in the Noncompetition Agreement is intended to prevent Licensee or its Affiliates from remaining competitive in its core Destination Club Business due to the evolution of such business over time. Licensor agrees that Licensee and its Affiliates shall have the right to develop, offer, operate, market and promote products, benefits, services and rewards under the Licensed Marks that do not fall within the definition of Licensed Destination Club Business, but only to the extent that that such products, benefits, services and rewards are substantially similar to the products, benefits, services and rewards that are not currently, but may in the future be, provided by other developers or operators in the Destination Club Business at a quality level equivalent to the Upscale Brand Segment or the Upper-Upscale Brand Segment, as part of their Destination Club Business (and not as a separate line of business). Licensee must give prior notice to Licensor if it intends to offer such products, benefits, services or rewards at least thirty (30) days prior to offering such products, benefits, services or rewards. Licensee and its Affiliates shall not (i) operate, manage, license, or franchise properties that are primarily operated as hotels (i.e., facilities containing dedicated rooms for transient rental, except as specifically provided in Section 9.2) as part of the Licensed Business, (ii) call or refer to any Licensed Destination Club Projects or Licensed Residential Projects as “hotels”, “inns” or similar terms commonly used for hotels, except as specifically approved in writing by Licensor or as referred to on Licensor’s or its Affiliates’ websites or in collateral or Marketing Content prepared by Licensor and its Affiliates; provided, however, that the foregoing shall not be construed to impact classification of Licensed Destination Club Projects for zoning, licensing or other regulatory purposes, even if such use is characterized as “hotel use” or “transient use” for such purposes (Licensor acknowledges that the foregoing shall not restrict Licensee from using any of the following terms commonly used for Destination Club Projects: “resort”, “club”, “villa”, “chateau”, “house”, “manor”, “tower”, “lodge”, “residence” or similar terms), or (iii) engage in activities that would breach any Permitted Territorial Restrictions. To the extent that Licensee dedicates some units for transient rentals under this provision (other than as specifically provided in Section 9.2), then Licensee must enter into a franchise agreement for such units under terms of Licensor’s or its Affiliate’s then-current standard franchise agreement with such changes thereto that are mutually agreed to by the parties.

(ii) Licensee acknowledges and agrees that nothing in this Agreement is intended to, or shall, in any way modify any franchise agreement or license agreement that may be issued by Licensor or its Affiliates to Licensee or its Affiliates with respect to transient rentals of units or Licensor Lodging Facilities.

C. In the event that Licensor's or its Affiliates' exercise of their rights under Section 2.5.A. has a material adverse effect on the Licensed Destination Club Business, or Licensee's or its Affiliates' exercise of their rights under Section 2.5.B(i) has a material adverse effect on Licensor's or its Affiliates' hotel business (or either party notifies the other that the exercise of such rights has the potential to have a material adverse effect on the other party's business), then the parties shall meet to discuss alternative approaches to mitigating such effect, or agree to some other arrangement acceptable to both parties. In the event the parties are unable to agree on such an arrangement, then either party shall have the right to have the matter decided by a panel of three (3) Experts pursuant to Section 22.5; provided, that any remedy shall be limited to a reduction or increase, as applicable, in the Royalty Fees payable hereunder from and after the date of the resolution by the Experts (and not retroactively for fees already paid or due).

3. FEES

3.1 Royalty Fees.

A. Licensee shall pay to Licensor a Destination Club Royalty Fee in an amount equal to:

(i) the Base Royalty, plus

(ii) (a) two percent (2%) of the Gross Sales Price with respect to initial sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Licensed Destination Club Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights, or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle, and (b) one percent (1%) of the Gross Sales Price with respect to re-sales of such interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Licensed Destination Club Units, plus

(iii) (a) two percent (2%) of the Gross Commissions with respect to initial sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Licensed Destination Club Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights, or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle (and Licensee or its Affiliates have no ownership or other beneficial interest in the interest conveyed and are making such sales only on a commission basis) and (b) one percent (1%) of the Gross Commissions with respect to re-sales by Licensee or its Affiliates on behalf of unrelated third parties of such interests held by such unrelated third parties in Licensed Destination Club Units (and Licensee or its Affiliates have no ownership or other beneficial interest in the interest conveyed and are making such sales only on a commission basis).

For purposes of clarification, any sale or re-sale that is subject to a royalty pursuant to Section 3.1.A(ii) shall not be subject to a royalty pursuant to Section 3.1.A(iii).

B. Licensee shall pay to Licensor a Residential Royalty Fee in an amount equal to:

(i) (a) two percent (2%) of the Gross Sales Price with respect to initial sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Licensed Residential Units, whether directly or through the issuance of beneficial interests, or other ownership interests, in a land trust or similar real estate vehicle, and (b) one percent (1%) of the Gross Sales Price with respect to re-sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Licensed Residential Units, plus

(ii) (a) two percent (2%) of the Gross Commissions with respect to initial sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Licensed Residential Units (and Licensee or its Affiliates have no ownership or other beneficial interest in such Licensed Residential Units and are making such sales only on a commission basis) and (b) one percent (1%) of the Gross Commissions with respect to re-sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Licensed Residential Units (and Licensee or its Affiliates have no ownership or other beneficial interest in such Licensed Residential Units and are making such sales only on a commission basis).

For purposes of clarification, any sale or re-sale that is subject to a royalty pursuant to Section 3.1.B(i) shall not be subject to a royalty pursuant to Section 3.1.B(ii).

C. (i) The sale of interests that were previously sold to end-user customers and are subsequently repurposed as other types of interests (for example, interests that are initially sold in the form of a weeks-based Destination Club Product and are subsequently repurposed in the form of a trust-based beneficial interest Destination Club Product or interests that are initially sold as interests in Residential Units and are subsequently repurposed as interests in Destination Club Units) shall be considered a re-sale for purposes of Section 3.1.A and 3.1.B.

(ii) A sale occurs with respect to the initial sale or re-sale of an interest in Licensed Destination Club Units or Licensed Residential Units when all of the following conditions have been satisfied:

(a) A written agreement ("Purchase Contract") is executed by a purchaser and has been accepted by Licensee or its Affiliates pursuant to which such purchaser contractually commits to acquire such interest;

(b) With respect to purchase money financing provided by or through Licensee or its Affiliates, if any, such purchaser has duly executed all applicable sales and purchase money financing documents in respect of such Purchase Contract;

(c) Such purchaser has duly tendered payment of the full purchase price in respect of such Purchase Contract (or full installment thereof in the case of purchase money financing, as applicable) by cash, by check which has cleared, or by credit card which has been duly processed) to either (x) Licensee or its Affiliates or (y) a fiduciary, escrow agent, trustee or other independent third-party designated by Licensee or its Affiliates, as may be required by law;

(d) All rescission periods applicable to such Purchase Contract have expired, without any such right of rescission having been exercised; and

(e) All pre-conditions set forth in such Purchase Contract and any legal requirements under Applicable Law in order to close the transaction which is the subject of the Purchase Contract as set forth in such Purchase Contract shall have been duly satisfied, without the purchaser having exercised any right of cancellation afforded such purchaser under the terms of such Purchase Contract or under Applicable Law.

(iii) The conversion of interests that were previously sold to end-user customers on an equivalent value basis into other types of interests that derive their value from the interests being converted (for example, interests that are initially sold in the form of a weeks-based Destination Club Product and are subsequently converted to a trust-based beneficial interest Destination Club Product) shall not be considered an initial sale or a re-sale for purposes of Section 3.1.A.

(iv) The exchange of interests that were previously sold to end-user customers for initial developer inventory (whether weeks-based, points-based, or otherwise) shall be considered an initial sale of such initial developer inventory for purposes of Section 3.1.A.

(v) The exchange of interests that were previously sold to end-user customers for inventory that had been previously sold to an end-user customer (whether weeks-based, points-based, or otherwise) shall be considered a re-sale of such inventory for purposes of Section 3.1.A.

D. The Gross Sales Price shall, for purposes of calculating the Royalty Fees under Sections 3.1.A and 3.1.B, include the amount of any newly-created initial or ongoing, recurring, or installment fees or charges that may be imposed by Licensee or its Affiliates after the Effective Date that are currently included, free of separate charge, for the rights, benefits and services currently obtained by purchasers of interests in Licensed Destination Club Units and Licensed Residential Units, respectively, upon payment of the purchase price thereof (other than promotional or trial features for which separate fees or charges may be contemplated), or the amount by which any other fees existing as of the Effective Date are increased after the Effective Date, as a direct or indirect offset to any decrease in the purchase price of an interest in a Licensed Destination Club Unit. In the event any such new or changed fee or charge is implemented, the Royalty Fee shall be restructured such that the amount of the Royalty Fee Licensor receives is not reduced as a result of the implementation of such new or changed fee or charge, which restructuring may, by agreement of the parties, include adding to the Gross Sales Price the net present value of fees or charges that are paid on an ongoing, recurring, or installment basis discounted by discount rate of ten percent (10%).

E. The Gross Sales Price shall, for purposes of calculating the Royalty Fees under Sections 3.1.A and 3.1.B, exclude the amount attributable to a gross up for imputed interest associated with a zero percent (0%) or below market interest rate program used in relation to financing a purchaser's acquisition of interests in Licensed Destination Club Units or Licensed Residential Units, but only where the Gross Sales Price is offered at different amounts to the customers on a programatic basis, depending on the financing or payment terms selected by the customer.

F. The Royalty Fees shall be earned as and when a contract for the sale of an interest in a Licensed Destination Club Unit or a Licensed Residential Unit, as applicable, is closed, regardless of when, or whether, any part of the Gross Sales Price or Gross Commissions, as applicable, are actually paid to, or received by or on behalf of, Licensee and/or its Affiliates. For the avoidance of doubt, the Royalty Fees shall not be due for any interests in Licensed Destination Club Units or Licensed Residential Units for which the sales contracts were signed prior to 12:01 am Eastern Standard Time on December 3, 2011, regardless of when such sales contracts actually close.

3.2 Usage Fees and Reimbursable Expenses; Maintenance Costs.

A. Licensee shall pay to Licensor or its Affiliates the Licensor Usage Fees for ongoing services provided by Licensor and/or its Affiliates, including the use of certain Electronic Systems and other systems, copyrights, and other materials owned by Licensor or its Affiliates, as applicable, under this Agreement and the related reimbursable expenses in accordance with the practices of the parties as of the date of the Spin-Off Transaction, to be documented by the parties. If Licensee fails to pay to Licensor or its Affiliates any Licensor Usage Fees or related reimbursable expenses, Licensor may provide notice to Licensee of Licensor's intention to offset any amounts that Licensor may owe to Licensee hereunder by the amount of the Licensor Usage Fees or reimbursable expenses owed by Licensee or its Affiliates. If Licensee notifies Licensor in writing that it disputes that such amounts are due within ten (10) business days following the date on which Licensor provided the notice of its intention to offset such amounts, Licensor will not offset such amounts until such dispute is resolved. If Licensee does not dispute that such amounts are owed within such timeframe, Licensor may offset such amounts. Licensor's offset of such amounts shall be deemed a waiver by Licensor and its Affiliates of damages and extra-contractual remedies arising out of or related to Licensee's failure to pay such amounts. If Licensor elects to offset such amounts, and Licensee requests supporting documentation in writing, Licensor will provide Licensee with documentation evidencing in reasonable detail the amount of, and the manner of calculating, such offset.

B. With respect to any systems and materials that Licensee owns and licenses to Licensor, Licensor will pay to Licensee the applicable usage fee as determined by Licensee on a fair, commercially reasonable and non-discriminatory basis. Licensor will have the right to offset any amounts that Licensor may owe to Licensee under this Section 3.2.B against amounts that Licensee owes to Licensor under this Agreement, in which case Licensor shall provide notice to Licensee of Licensor's election to offset such amounts not less than fifteen (15) business days prior to the date on which the payment from Licensee to be offset is due. If Licensor fails to pay to Licensee or its Affiliates (or provide an offset as contemplated in the immediately preceding sentence for) any amounts owed under this Section 3.2.B, Licensee may provide notice to Licensor of Licensee's intention to offset any amounts that Licensee may owe to Licensor hereunder by the amount owed by Licensor or its Affiliates to Licensee or its Affiliates under this Section 3.2.B. If Licensor notifies Licensee in writing that it disputes that such amounts are due within ten (10) business days following the date on which Licensee provided the notice of its intention to offset such amounts, Licensee will not offset such amounts until such dispute is resolved. If Licensor does not dispute that such amounts are owed within such timeframe, Licensee may offset such amounts. Licensee's offset of such amounts shall be deemed a waiver by Licensee and its Affiliates of damages and extra-contractual remedies arising out of or related to Licensor's failure to pay such amounts. If Licensee elects to offset such amounts, and Licensor requests supporting documentation in writing, Licensee will provide Licensor with documentation evidencing in reasonable detail the amount of, and the manner of calculating, such offset.

3.3 Other Charges; Changes to Fees, Expenses and Charges; Other Costs.

A. Licensee must pay to Licensor or its Affiliates an amount specified by Licensor for (i) any training (including tuition, supplies, and Travel Expenses and allocations of internal costs and overhead of Licensor and its Affiliates) in which Licensee participates, (ii) purchasing, staging, programming, installing, interfacing and upgrading of Hardware and Software for Electronic Systems as set forth in Section 10.1, (iii) any goods or services purchased, leased or licensed by Licensee from Licensor or an Affiliate of Licensor, and (iv) any programs of Licensor or its Affiliates in which Licensee participates.

B. Charges for items described in Sections 3.2 and 3.3.A. will be calculated as follows: (i) where participation is mandatory or necessary for the operation of the Licensed Business such charges will be determined on a fair and commercially reasonable basis and in a manner consistent with the manner in which such charges are made with respect to the Licensor Lodging Facilities receiving the services or participating in the programs and systems to which such fees, expenses or costs are applicable and, where appropriate, shall take into account the manner and extent to which such services, programs, or systems are used by the Licensed Business; and (ii) where such participation is optional or is not necessary for the operation of the Licensed Business, such charges will be determined in a manner consistent with the manner in which such charges are made with respect to the Licensor Lodging Facilities receiving the services or participating in the programs or systems to which such fees, expenses, or costs are applicable. Licensor may change the fees, expenses, and costs payable under Sections 3.2 or 3.3.A. for services that Licensee receives and programs and Electronic Systems in which Licensee participates to reflect the following: (i) any increase or decrease in the costs and expenses of providing the relevant service; (ii) any change in the method Licensor uses to determine allocation of the applicable payments; or (iii) any change as a result of competition in the business which is the subject of the Licensed Business, including changes to the basis for charging for the Usage Fees for Electronic Systems. Licensor will notify Licensee of any such change in the ordinary course of business.

3.4 Travel Expenses and Reimbursement.

Licensee must pay to Licensor all Travel Expenses for: (i) individuals who provide initial, ongoing, and remedial training under this Agreement; and (ii) Licensor's and its Affiliates' corporate and regional representatives visiting any of the Projects or Licensee's corporate offices for re-inspections following any failed inspection conducted under the Quality Assurance Program. In addition to such Travel Expenses, Licensee must reimburse Licensor, or such other Person designated by Licensor, for the salary and other compensation of any individuals providing training with respect to any Project or the Licensed Business or conducting re-inspections, and arrange for lodging at the Project (or, if space is unavailable at the Project, at another lodging facility of comparable quality) for any inspector on official duty for such time as may be reasonably necessary and to Licensor's representatives or independent auditors while conducting and completing audits pursuant to Section 15.3. Licensee shall not be obligated to provide accommodations or pay Travel Expenses in excess of what would be required under Licensor's internal travel reimbursement policies; provided, however, that such reimbursements shall not include first class air travel.

3.5 Marketing and Sales Fees and Charges.

A. Licensor may propose marketing or sales programs in which Licensee may elect to participate. If Licensee elects to participate in any such program, Licensee shall pay the applicable fees and charges for Licensee's participation in such program. The determination of the fees and charges for Licensee's participation in such programs shall, where appropriate, take into account the relevant differences between the Licensed Business and the other participants in such programs.

B. Licensee may propose marketing or sales programs in which Licensor may elect to participate. If Licensor elects to participate in any such program, Licensor shall pay the applicable fees and charges for Licensor's participation in such program. Licensee acknowledges that the funds Licensor uses to pay any such fees or charges for participation in any such program may be derived from Licensor Lodging Facilities or marketing fund(s) to which Licensor Lodging Facilities contribute. The determination of the fees and charges for Licensor's participation in such programs shall, where appropriate, take into account the relevant differences between the Licensor's Lodging Business and the other participants in such programs.

3.6 Making of Payments; Delegation of Duties and Performance of Services.

A. The Royalty Fees payable under Section 3.1 shall be paid within fifteen (15) days following the end of each calendar quarter, as applicable, during the Term (and, with respect to the Royalty Fees payable as a percentage of Gross Sales Price and Gross Commissions under Sections 3.1.A(ii) and (iii) and 3.1.B, during the tail period contemplated in Section 4.2.B, it being acknowledged that no Base Royalty shall be payable during such tail period) for the immediately preceding quarter (preceding calendar quarter in the case of the Base Royalty and preceding Accounting Period quarter in the case of Royalty Fees payable as a percentage of Gross Sales Price and Gross Commissions under Sections 3.1.A(ii) and (iii) and 3.1.B) along with any reports required under Section 15.2. The Base Royalty payable under Section 3.1.A(i) shall be paid in installments each calendar quarter within each calendar year, with the amount to be paid each calendar quarter equal to one-fourth of the amount to be paid for such calendar year (such amount shall be prorated for any partial calendar quarter occurring at the beginning or end of the Term); provided, however, that the parties acknowledge and agree that, notwithstanding the fact this Agreement is effective as of the Effective Date, the Base Royalty shall begin to accrue at 12:01 am Eastern Standard Time on December 3, 2011. All other payments required by this Agreement, whether payable by Licensee or its Affiliates to Licensor or its Affiliates or by Licensor or its Affiliates to Licensee or its Affiliates, will be made within thirty (30) days after receipt by Licensee or its Affiliate or Licensor or its Affiliate, as the case may be, of each statement for such payment. Payments due to either party or their respective Affiliates, unless otherwise agreed, will be paid by wire transfer of immediately available funds by Licensee to Licensor or by Licensor to Licensee, as applicable, in the United States to the accounts designated by the receiving party.

B. Licensor has the right to have any service or obligation of Licensor under this Agreement be performed by an Affiliate of Licensor, and Licensee agrees to accept performance by such Affiliate. Licensor may designate that payment be made to one of its Affiliates instead of Licensor, and Licensee and its Affiliates must make such payments as designated; provided, however, that Licensee and its Affiliates shall have no obligation to pay more than it otherwise would have paid had Licensor not made such designation.

C. To the extent that Licensee has the right under this Agreement to have any service or obligation of Licensee under this Agreement be performed by an Affiliate of Licensee, Licensor agrees to accept performance by such Affiliate. Licensee may designate that payment be made to one of its Affiliates instead of Licensee, and Licensor and its Affiliates must make such payments as designated; provided, however, that Licensor and its Affiliates shall have no obligation to pay more than it otherwise would have paid had Licensee not made such designation.

3.7 Interest on Late Payments.

If any payment due under this Agreement is not received by the party to which such payment is due on or before its due date, such payment will be deemed overdue, and paying party must pay to the receiving party, in addition to the overdue amount, interest on such overdue amount which will accrue at a rate per annum equal to the Interest Rate from the date such overdue amount was due until paid. Interest is not in lieu of any other remedies the receiving party may have.

3.8 Currency and Taxes.

A. All amounts payable to Licensor or Licensee or their respective Affiliates under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum and, except as expressly otherwise agreed to by the parties, any other payments required for services provided to Licensee or its Affiliates by Licensor or its Affiliates pursuant to this Agreement, including those provided under Section 11.2 (including any judgment or arbitral award) must be paid in United States Dollars (collectively, “Payment Obligations”).

B. Licensee and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensee and its Affiliates by any Tax authority relating to the Projects and the Licensed Business, Licensee, its Affiliates, this Agreement, the Payment Obligations or in connection with the operation of the Projects or the Licensed Business.

C. Subject to Section 3.8.D., Licensor and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensor and its Affiliates by any Tax authority relating to the Projects and the Licensed Business, Licensor, its Affiliates, this Agreement, the Payment Obligations or in connection with the operation of the Projects or the Licensed Business.

D. Except with respect to the Royalty Fees required to be paid under Section 3.1, any amount to be paid or reimbursed under this Agreement to Licensor or Licensee or their respective Affiliates, for reimbursable expenses, including Travel Expenses, shall be made free and clear and without deduction for any Taxes so that the amount actually received in respect of such payment (after payment of Taxes) equals the full amount stated to be payable in respect of such payment. To the extent any Applicable Law requires or allows deduction, payment or withholding of Taxes to be paid by the paying party directly to a governmental authority, the paying party must account for and pay such amounts promptly and provide to the receiving party receipts or other proof of such payment promptly upon receipt.

4. TERM

4.1 Initial Term.

The initial term of this Agreement begins on the Effective Date and expires December 31, 2090 (the “Initial Term”).

4.2 Extension Term; Tail Period.

A. Licensee shall have the right to obtain two (2) additional extension terms of thirty (30) years each (each, an “Extension Term”). Licensee must meet the following conditions in order to obtain each Extension Term: (i) Licensee must provide Licensor with notice of its desire to obtain the applicable Extension Term not earlier than January 1, 2050 or later than December 31, 2080 for the first Extension Term and not earlier than January 1, 2080 or later than December 31, 2110 for the second Extension Term; and (ii) the sale of interests in Licensed Destination Club Units and Licensed Residential Units during the twelve (12) months immediately preceding the date of such notice must have generated six hundred fifty million dollars ($650,000,000) or more in revenues from the Gross Sales Prices.

B. For a “tail period” of thirty (30) years following the end of the Initial Term (if Licensee does not exercise its right to obtain an Extension Term), the first Extension Term (if Licensee does not exercise its right to obtain a second Extension Term), or the second Extension Term, as applicable (but not following any termination of this Agreement under Section 18), Licensee shall be entitled (but not required) to continue to operate the then-existing Licensed Destination Club Projects and Licensed Residential Projects (including any New Projects under development as contemplated in (ii) below) in the Territory (provided, however, Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee’s or its Affiliates’ use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of

the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A.), provided that such operation is in compliance with the terms and conditions of this Agreement. The parties agree that (i) the exclusivity granted in Section 1.A. and the restrictions and limitations on Licensor and its Affiliates in Section 2.2 shall immediately cease and be of no further force or effect as of the first day of the tail period; (ii) Licensee shall have no right to propose New Projects during the tail period (but will have the right to continue and complete the development of any New Projects that have been approved by Licensor pursuant to this Agreement prior to the commencement of the tail period); and (iii) Licensee shall not be required to pay any Base Royalty during the tail period. All other applicable terms and conditions of this Agreement, including, without limitation, the requirement to pay all portions of the Royalty Fees other than the Base Royalty and other amounts under Sections 3 and 11, shall remain in place and be applicable during the tail period.

5. EXISTING PROJECTS; DEVELOPMENT RIGHTS AND RESTRICTIONS

5.1 Designation of Projects; Existing Projects.

A. Prior to the Effective Date, the parties have designated each Existing Project as corresponding to either the Upscale Brand Segment or Upper-Upscale Brand Segment based on the physical characteristics and quality of each such Project, and each New Project will be designated as corresponding to either the Upscale Brand Segment or Upper-Upscale Brand Segment based on the physical characteristics and quality of each such New Project at the time the New Project Application is submitted for such New Project in accordance with Section 5.2, as agreed by the parties.

B. The Existing Projects are listed on Exhibit B to this Agreement. Licensee may continue to operate the Existing Projects under the System and Brand Standards in accordance with the terms and conditions of this Agreement. Each Existing Project may operate only under the applicable Project name set forth in Exhibit B, which Project name may be changed only in accordance with the naming protocol set forth in the Brand Standards.

C. In the event that Licensee delegates (or prior to the Effective Date has delegated) the authority to operate an Existing Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to operate the applicable Existing Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to operate the Existing Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such Existing Project. Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement entered into hereunder promptly following its execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement. Except to the extent required by Applicable Law, Licensee shall not amend or otherwise modify any such sublicense agreement without Licensor’s prior written approval.

5.2 New Projects.

A. Licensee shall provide Licensor with an application (“New Project Application”) in the form attached hereto as Exhibit K for each proposed New Project. The form of New Project Application may be modified by Licensor as required for compliance with Applicable Law or as mutually agreed by the parties hereto.

B. Licensor may reject a proposed New Project only if:

(i) Licensor determines that the proposed New Project does not meet the applicable Brand Standards related to construction and design or that the location of the proposed New Project does not meet applicable Brand Standards or is otherwise not appropriate for the proposed New Project;

(ii) Licensor determines that the development of the proposed New Project would breach, or be reasonably likely to breach, any Permitted Territorial Restrictions or restrictions imposed by Applicable Law on Licensor and its Affiliates; or

(iii) the proposed New Project will involve a co-investor with Licensee and such co-investor is (a) a Lodging Competitor of Licensor, (b) is known in the community as being of bad moral character, (c) has been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or more (or is in control of or controlled by Persons who have been convicted in any court of felonies or such offenses), or (d) is, or has an Affiliate that is, a Specially Designated National or Blocked Person.

If Licensor does not approve the proposed New Project under Sections 5.2.B(i), (ii), or (iii) above and Licensee disagrees with such determination, then Licensee may refer the matter for Expert resolution pursuant to Section 22.5. The Expert shall make its determination based upon whether Licensor's rejection was reasonable, given the market positioning and Brand Standards applicable to the proposed New Project. Additionally, if Licensor did not approve the proposed New Project based on its determination that the location of the proposed New Project did not meet applicable Brand Standards or was otherwise not appropriate for the proposed New Project, the Expert shall determine whether the proposed location would be appropriate for Licensor Lodging Facilities in the Upscale Brand Segment or Upper-Upscale Brand Segment, as applicable, based on the market positioning and brand standards applicable to such Licensor Lodging Facilities, and if the Expert determines that the proposed location would be so appropriate, then the proposed location shall be deemed appropriate for the proposed New Project.

C. Each New Project may operate only under the applicable Project name agreed to by the parties in accordance with the naming protocol set forth in the Brand Standards, which Project name may be changed only in accordance with the naming protocol set forth in the Brand Standards.

D. (1) In the event that Licensee delegates the authority to develop a New Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to develop such New Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to develop the New Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such New Project.

(2) In the event that Licensee delegates the authority to operate a New Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to operate such New Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to operate the New Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such New Project.

(3) Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement entered into hereunder promptly following its execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement. Except to the extent required by Applicable Law, Licensee shall not amend or otherwise modify any such sublicense agreement without Licensor's prior written approval.

E. If the offer or execution of the sublicense agreement for any Existing Project or proposed New Project (including any New Project that is to be developed through a third party) results in a requirement for Licensee to comply with regulatory requirements, including, without limitation, the preparation and provision to the Project developer of a disclosure document or filing of the disclosure document or other documents with regulatory authorities, Licensee shall comply with such regulatory requirements at its sole cost and expense and provide Licensor with evidence satisfactory to Licensor of Licensee's compliance therewith within the timeframe required by the applicable regulations. If Licensor determines that Licensor is required to comply with such regulatory requirements in connection with any Existing Project or proposed New Project, Licensee will fully cooperate with Licensor with respect to Licensor's compliance requirements, and Licensor will not charge Licensee any amounts for costs incurred by Licensor in connection with Licensor's compliance requirements.

F. All New Projects that are added to Licensed Non-Site Specific Destination Club Programs must initially be operated under the Licensed Marks in accordance with the System and this Agreement, it being acknowledged that such New Projects are subject to being Deflagged in accordance with the terms of this Agreement. At Licensor's request, Licensee's rights to include a Non-Site Specific Destination Club Ownership Vehicle as part of a Licensed Non-Site Specific Destination Club Program shall be discontinued if at any time the aggregate interests in Licensed Destination Club Units that are held by such Non-Site Specific Destination Club Ownership Vehicle is less than one-half (1/2) of the aggregate interests in all Destination Club Units that are held by such Non-Site Specific Destination Club Ownership Vehicle.

G. Licensee shall have the right to include inventory of Destination Club Units or Residential Units in Existing Projects (as defined in the Ritz-Carlton License Agreement) as part of Licensed Destination Club Products under this Agreement, provided, that Licensee provide prior notice to Licensor thereof.

5.3 Undeveloped Parcels Pre-Approved; Right of First Refusal for Undeveloped Parcels.

A. Parcels owned by Licensee or its Affiliates but which have not been developed as of the Effective Date are listed on Exhibit B-1 ("Undeveloped Parcels"). Licensor hereby approves the Undeveloped Parcels as sites for Projects; provided, however, that Projects developed on any such Undeveloped Parcel must be developed and operated in accordance with the terms and conditions of this Agreement, including, without limitation, Section 6.3 and the then-current Brand Standards related to construction and design for New Projects.

B. Prior to negotiating a sale of any of the Undeveloped Parcels (or any part thereof) listed on Exhibit B-2 (or a Controlling interest in the owner(s) of such Undeveloped Parcels), Licensee will give Licensor written notice of its decision to sell the Undeveloped Parcel or interest, as applicable, and, during the period of thirty (30) day period after such notice Licensee negotiate in good faith with Licensor for a mutually satisfactory agreement for the purchase of the Undeveloped Parcel. If, after the expiration of thirty (30) days following the date of Licensee's notice of its desire to sell the Undeveloped Parcel, Licensee and Licensor have not entered into a mutually acceptable agreement for the purchase of the Undeveloped Parcel, subject to Section 5.3.C, Licensee shall be free to enter within a period of two

hundred seventy (270) days thereafter into a binding contract to sell the Undeveloped Parcel to a third-party so long as the price to such third-party is no more favorable to such third-party than 95% of the price that Licensee offered to sell the Undeveloped Parcel to Licensor. Licensee shall promptly provide Licensor with the name of the prospective purchaser, the price, and the terms and conditions of such proposed sale of the Undeveloped Parcel, together with all other information reasonably requested by Licensor in order for Licensor to confirm that the requirements of this Section 5.3.B have been met.

C. If Licensee or its Affiliates wish to sell any of the Undeveloped Parcels (or any part thereof) listed on Exhibit B-2 (or a Controlling interest in the owner(s) of such Undeveloped Parcels) to a Lodging Competitor, Licensor shall have a right of first refusal to purchase such Undeveloped Parcels (or a Controlling interest in the owner(s) of such Undeveloped Parcels), on the same terms set forth in a bona fide third party offer made to Licensee, exercisable within thirty (30) days after notice is given of such offer. If the third party offer provides for payment of consideration other than cash, Licensor may elect to purchase the Undeveloped Parcel or the interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs, including appraisal fees.

D. Licensor acknowledges that if an Undeveloped Parcel is listed on Exhibit B-1 but is not listed on Exhibit B-2, then Licensor shall have neither a right of first negotiation pursuant to Section 5.2.B nor a right of first refusal pursuant to Section 5.2.C to purchase such Undeveloped Parcel, and Licensee shall have the right to sell such Undeveloped Parcel without restriction.

E. Licensee acknowledges that Licensor's rights under Section 5.3.C are real estate rights with respect to the Undeveloped Parcels listed on Exhibit B-2. Licensor is entitled to file at Licensor's cost a record of such interest in and among the appropriate real estate records of the jurisdiction in which the applicable Undeveloped Parcel is located, and Licensee will cooperate as requested by Licensor in such filing. Licensee will execute a Memorandum of Right of First Refusal in form attached hereto at Exhibit B-3. Licensee agrees that damages are not an adequate remedy if Licensee breaches its obligations under such Section 5.3.C and that Licensor will be entitled to injunctive relief to prevent or remedy such breach without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting a bond. If this Agreement is terminated and Licensor's rights under Sections 5.3.C are no longer in effect, at the request of Licensee or the transferee, Licensor will deliver upon request an instrument in recordable form to terminate any such recording of interest in real estate, or if a Project or a non-lodging facility is developed by Licensee or one of its Affiliates on any Undeveloped Parcel listed on Exhibit B-2, at the request of Licensee, Licensor will deliver upon request an instrument in recordable form to terminate such recording of interest in real estate as to the affected Undeveloped Parcel.

5.4 Projects Located at Hotels other than Licensor Lodging Facilities.

A. Licensee will not develop any New Projects that are located in, co-located in conjunction with, or are otherwise a part of a hotel ("Co-Located Hotel") that is not a Licensor Lodging Facility without using commercially reasonable efforts to secure for Licensor a right to negotiate with the owner of the Co-Located Hotel for (i) the management of the Co-Located Hotel by Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel) or (ii) the franchising of the Co-Located Hotel by Licensor or its Affiliate, whether Licensee intends to manage the Co-Located Hotel or not. Additionally, if Licensee or one of its Affiliates is the owner of the Co-Located Hotel, Licensee or its Affiliate will negotiate with Licensor in a commercially reasonable manner to enter into (i) a management agreement with Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel) or

(ii) a franchise agreement with Licensor or its Affiliate, whether Licensee intends to manage the Co-Located Hotel or not, on Licensor's or its Affiliate's then-current form of management agreement or franchise agreement, as applicable, in each case with such changes as Licensee and Licensor or its Affiliate agree. Licensee shall provide Licensor with notice (the "Negotiation Opportunity Notice") of any such proposed New Project and the opportunity for Licensor to negotiate for the management or franchise, as applicable, of the Co-Located Hotel.

B. Notwithstanding the foregoing, subject to Licensor's approval of the New Project pursuant to Section 5.2, Licensee shall have the right to develop any New Project that is located in, co-located with, or are otherwise a part of (i) a Co-Located Hotel that is subject to a hotel management, franchise or other agreement which would preclude Licensor and its Affiliates from managing or franchising such Co-Located Hotel; (ii) a Co-Located Hotel with respect to which Licensor does not wish to enter into a management agreement or franchise agreement; or (iii) a Co-Located Hotel with respect to which Licensor and the hotel owner cannot agree on the terms of a management agreement or franchise agreement, as applicable, within sixty (60) days after the date on which Licensor receives the Negotiation Opportunity Notice. In such event, Licensor may require that Licensee and the hotel owner agree to reasonable restrictions on the sharing of entrances, signage, facilities and services to ensure a level of brand separation sufficient to avoid customer confusion as to the relationship between the Project and the Co-Located Hotel as determined by Licensor in its reasonable business judgment having regard to (x) what restrictions are practicable and feasible based on the physical configuration of the Project, the Co-Located Hotel, the development in which they are situated, and any applicable ingress and egress constraints and (y) exceptions to such restrictions then in effect that Licensor customarily has agreed to in previous similar situations.

C. The provisions of Sections 5.4.A and 5.4.B shall not apply to any Co-Located Hotel that is or has been Deflagged as a Licensor Lodging Facility. Upon the Deflagging as a Licensor Lodging Facility of a Co-Located Hotel, Licensor and Licensee will use good faith efforts to agree to reasonable parameters for providing appropriate brand separation to the extent commercially feasible.

D. Any disputes regarding this Section 5.4 shall be subject to Expert resolution pursuant to Section 22.5.

5.5 Prohibitions To Be Included in Future Franchise and Management Agreements.

A. Licensor will include in the initial draft of future Licensor Lodging Facility management, operating, and franchise agreements with third-party hotel owners and franchisees and in future license and development agreements for Residential Projects to be operated under the Proprietary Marks, prohibitions on the operation, promotion and sale of interests in Destination Club Projects, other than Licensed Destination Club Projects, at the applicable hotel or Residential Project and attempt to persuade such third-party hotel owners or franchisees to agree to retain such prohibitions in the applicable agreements. However, Licensor will not be required to offer any concessions to such third-party hotel owners or franchisees in order to retain such prohibitions in the applicable agreements.

B. Licensee acknowledges and agrees that, provided Licensor meets the requirements of Section 5.5.A. as expressly set forth therein, neither Licensor nor its Affiliates will have any liability under this Agreement for failure to obtain such prohibitions in such agreements under this Section 5.5. This Section 5.5 shall not affect any other obligations of Licensor and its Affiliates hereunder.

5.6 Destination Club Projects at Third-Party Owned Licensor Lodging Facilities.

If a third-party developer of a Licensor Lodging Facility desires to have a Destination Club Project as a component of or adjacent to such Licensor Lodging Facility project (the "Co-Located Licensor Lodging Facility"), Licensor will use commercially reasonable efforts to secure for Licensee a right to negotiate with such developer regarding Licensee's involvement in such Destination Club Project. Licensor shall provide Licensee with notice (the "Negotiation Opportunity Notice") of any opportunity for Licensee to negotiate regarding Licensee's involvement in such Destination Club Project. If Licensee declines to participate or cannot reach agreement with such developer and Licensor regarding Licensee's involvement in such Destination Club Project within sixty (60) business after the date on which Licensee receives the Negotiation Opportunity Notice, then Licensor will have the right to proceed (and permit such developer to proceed) with such Destination Club Project without Licensee's involvement. Licensor shall not use or permit the use of any of the Licensed Marks or Branded Elements in connection with such Destination Club Project; provided, however, that (x) the marketing, offering, and selling of units in any such Destination Club Project at the Co-Located Licensor Lodging Facility to any Person, including guests of the Co-Located Licensor Lodging Facility, whether or not such guest is a member of any Brand Loyalty Program, provided, that such Destination Club Project is not affiliated with a Destination Club Competitor (y) the placing of overflow guests of the Co-Located Licensor Lodging Facility in such Destination Club Project on a transient basis, and (z) the offering of potential customers of such Destination Club Project stays at the Co-Located Licensor Lodging Facility in connection with the marketing and sale of the units of such adjacent Destination Club Project, shall not be deemed to be a violation hereof.

5.7 Limitations on Licensed Business; Compliance with Contractual Restrictions.

A. Licensor shall not enter into any contract or agreement that purports to limit or restrict Licensee's or its Affiliates' right to engage in the Licensed Destination Club Business or the Licensed Whole Ownership Residential Business. Provided, that the Agreed Territorial Protections (defined below) contain an express carve-out for the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business, (i) nothing in this Section 5.7.A will restrict or limit Licensor's or its Affiliates' ability to grant territorial protections ("Agreed Territorial Protections") solely with respect to hotels, resorts and other lodging facilities to owners, developers, operators, lessees, licensees, or franchisees of any Licensor Lodging Facilities, and (ii) Licensor will not be in breach of this Agreement as a result of the grant of such Agreed Territorial Protections or the enforcement or the attempted enforcement of such Agreed Territorial Protections against Licensee or its Affiliates by such owners, developers, operators, lessees, licensees, or franchisees.

B. Licensee agrees to abide by (i) all territorial and other contractual restrictions applicable to Licensor and/or its Affiliates relating to the Licensed Destination Club Business and Licensed Whole Ownership Residential Business that are in effect as of the Effective Date and (ii) all territorial and other contractual restrictions that are agreed to after the Effective Date with Licensee's consent (the restrictions described in clauses (i) and (ii) above are referred to as "Permitted Territorial Restrictions"). Licensor will exclude Licensed Residential Projects from any territorial or other contractual restrictions in future residential license and development agreements relating to Residential Projects. Neither Licensor nor its Affiliates will agree to an extension of the duration, or a broadening of the scope, of any Permitted Territorial Restriction without Licensee's consent; provided, however, that nothing herein shall prohibit Licensor or its Affiliates from extending or renewing agreements containing such Permitted Territorial Restrictions in accordance with the terms of such agreements, even if such extension or renewal has the effect of extending the duration of any such Permitted Territorial Restriction.

C. Licensee shall not enter into any contract or agreement that purports to limit or restrict Licensor's or its Affiliates' right to develop, operate, sell, market, license, or franchise Licensor Lodging Facilities or Residential Units (other than Licensed Residential Units), except as otherwise provided hereunder, or any other activity or business of Licensor or its Affiliates, other than as set forth in any hotel management or franchise agreement entered into between Licensee and Licensor, or their respective Affiliates.

5.8 Delegation of Certain Functions; Sublicensing of Marketing Functions.

A. Licensee may delegate property-level, non-management functions of the Licensed Business, such as housekeeping, security, and recreational activities, that do not involve the sales or marketing of Licensed Destination Club Products or Licensed Residential Units to vendors without Licensor's consent, provided, that (i) the delegated or subcontracted functions are conducted in accordance with the Brand Standards and this Agreement; (ii) the delegated or subcontracted functions are covered by insurance policies that satisfy the applicable requirements of Sections 16.2 and 16.4 ; and (iii) any party to which such function has been delegated or subcontracted and that will have access to any Licensor Confidential Information agrees to keep such Licensor Confidential Information confidential in accordance with this Agreement.

B. Licensee may delegate non-management functions of the Licensed Business involving regional and/or local sales and marketing (including brokerage arrangements) of Licensed Destination Club Products and Licensed Residential Units for Licensed Residential Projects to any Affiliate or unrelated third party, provided, that (i) Licensee must ensure such functions are conducted in accordance with the Brand Standards and this Agreement; (ii) such functions are covered by insurance policies that satisfy the applicable requirements of Sections 16.2 and 16.4; (iii) any party to which such function has been delegated or subcontracted and that will have access to any Licensor Confidential Information agrees to keep such Licensor Confidential Information confidential in accordance with this Agreement; (iv) any Affiliate to which such function has been delegated or subcontracted will agree to be bound by the same responsibilities, limitations, and duties of Licensee hereunder that have been delegated to such party, and any third party to which such function has been delegated will agree to be bound by certain terms and conditions as set forth in the applicable sublicense and undertaking; and (v) where the sublicense of the right to use the Licensed Marks and System is required in Licensor's judgment, (i) if the sublicensee is an Affiliate of Licensee, Licensee shall sublicense to such Affiliate the right to use the Licensed Marks and the System, as necessary to fulfill such function(s) under a sublicense agreement in a form substantially similar to the form attached hereto as Exhibit E and (ii) if the sublicensee is an unrelated third party, Licensee shall sublicense to such third party the right to use the Licensed Marks, as necessary to fulfill such function(s) under an undertaking and sublicense that contains provisions in a form substantially similar to the provisions set forth in Exhibit F. Such delegation shall not result in a novation of any of Licensee's obligations under this Agreement. Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement and undertaking entered into hereunder promptly following their execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement or undertaking. Licensee shall not, without Licensor's prior consent in Licensor's sole discretion, delegate such functions to an unrelated third party who is known in the community as being of bad moral character; has been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or more (or is in control of or controlled by Persons who have been convicted in any court of felonies or such offenses); is a Specially Designated National or Blocked Person; or is a Lodging Competitor.

C. Notwithstanding Sections 5.8.A. and B., subject to Section 8.3.B(iv), Licensee may not delegate to any person who is not a Related Party any of the key functions of the Licensed Business, including Member services, senior management of any Project, brand-level marketing, and substantially all of the consumer financing servicing function of the notes for which Licensor or any of its Affiliates is a guarantor, without Licensor's consent in Licensor's reasonable business judgment. For avoidance of doubt, Licensee shall be permitted to delegate any of the functions of the Licensed Business to a Related Party without Licensor's consent, subject in each case to execution of a sublicense agreement in accordance with Section 5.1, 5.2, and 5.8 hereof to the extent required thereunder. For purposes of this Section 5.8.C, "Related Party" means (i) any wholly-owned subsidiary of Licensee or (ii) any Affiliate of Licensee in which an unrelated third-party holds a passive, minority interest in such Affiliate and such unrelated third-party will not be involved in the performance of any of the key functions of the Licensed Business that are delegated to such Affiliate.

6. SOURCING; DESIGN REVIEW; CONSTRUCTION, CONVERSION AND RENOVATION

6.1 Furniture, Fixtures, Equipment, Supplies, and Signage.

Licensee will use at the Projects only such signs, supplies, fixtures and other items that conform to the Brand Standards. If Licensor or its Affiliates have contracts in effect as of the Effective Date with any supplier under which developers, owners, managers, franchisees, or licensees of Licensor or its Affiliates must purchase particular items, Licensee must purchase such item(s) from such supplier(s). However, Licensee will not be obligated to participate in any such purchasing or supply arrangements which are initiated following the Effective Date.

6.2 Design Review.

The plans and specifications for each New Project shall be subject to Licensor's review and, upon reasonable notice, inspection to ensure that they are in compliance with Brand Standards (subject to Project-specific variations to the Brand Standards that may be agreed to by the parties) and with Licensee's obligations hereunder in accordance with the Design Review Addendum, the form of which is attached hereto as Exhibit G, and each such Project shall be submitted to Licensor's design review process for review, comment, and approval. Licensee shall pay (or cause to be paid) to Licensor or its Affiliate a fixed fee for such review activities in accordance with the Design Review Addendum. Licensee agrees that, as between Licensee and its Affiliates on the one hand and Licensor and its Affiliates on the other hand, Licensee and its Affiliates (and not Licensor and its Affiliates) are responsible for: (i) ensuring that any design, construction documents, specifications, and any work related to the Projects complies with all Applicable Laws, including any requirements relating to disabled persons; (ii) any errors or omissions; or (iii) discrepancies of any nature in any drawings or specifications. Licensee further acknowledges and agrees that: (a) any review by Licensor or its Affiliates of plans for any Project is limited solely to determining whether the plans comply with the Brand Standards; and (b) Licensor and its Affiliates will have no liability or obligation with respect to the construction, conversion, renovation, upgrading or furnishing of the Projects other than as set forth in the Design Review Addendum.

6.3 Site Inspection.

For each New Project that Licensor approves, Licensor will have the right to visit (at Licensor's cost) the job site in order to observe and inspect the work solely to ensure compliance with the Brand Standards and this Agreement.

6.4 Construction/Conversion/Renovation.

Licensee shall construct, convert or renovate (or cause to be constructed, converted or renovated), as the case may be, each New Project in accordance with the Design Review Addendum, the Brand Standards, and this Agreement, and such construction, conversion, or renovation shall not be at Licensor's or its Affiliates' cost or expense.

7. SYSTEM AND STANDARDS

7.1 Brand Standards.

A. Licensee shall comply with the Brand Standards in all matters with respect to the operation of the Licensed Business, including, without limitation, the following to the extent each relates to the Licensed Business: the use of the Licensed Marks; the provision of Member services; employee training; the development, construction, equipping, maintaining, and operating of all Licensed Destination Club Projects and Licensed Residential Projects; and all sales and marketing activities.

B. Without limiting the foregoing, all usage of the Licensed Marks shall be in strict accordance with the then-current Brand Style and Communications Standards to the extent such use is described in the Brand Style and Communications Standards; provided, however, nothing in this sentence shall limit Licensor's right to modify the Licensed Marks in accordance with Section 13.2(B)(3). Otherwise, such usage shall be in strict accordance with the Brand Standards related to the Licensed Marks, which shall be subject to modification in Licensor's sole discretion. Licensor shall make available to Licensee the Brand Standards related to the Licensed Marks as well as any modifications thereto. Licensee shall have a reasonable period of time determined by Licensor to implement any modifications made by Licensor to the Brand Standards related to the Licensed Marks, such as being permitted to exhaust current supplies of collateral, taking into consideration Licensee's contractual commitments and the applicable MHR Hotel implementation schedule with respect to such modifications.

C. Licensor shall have the right to review (on a periodic basis) Marketing Content and other communications using Licensed Marks and to review significant changes in such programs implemented throughout the Licensed Business and significant changes in templates that are widely-used in the Licensed Business, all of which must be in compliance with the Brand Standards at all times. The distribution, marketing and advertising channels for all Projects shall be consistent with the positioning of the Licensed Business and Licensor Lodging Facilities in the Upscale Brand Segment and Upper-Upscale Brand Segment. The parties agree to conduct reviews of such channels no less often than annually at the annual meeting contemplated in Section 11.2.E.

D. Licensee will (i) house on its system the Brand Standards described in the definition of "Brand Standards" to be housed by Licensee and (ii) provide Licensor with access to such Brand Standards at all times. Licensor will (i) house on its system the Brand Standards described in the definition of "Brand Standards" to be housed by Licensor and (ii) provide Licensee with access to such Brand Standards at all times.

7.2 Modification of Brand Standards.

A. Licensor and Licensee recognize that they are each leaders in the Lodging Business and the Destination Club and Whole Ownership Residential Businesses, respectively, and that the Brand Standards should reflect the parties' expertise in their respective businesses.

B. (i) Licensor expressly reserves the right to modify the Brand Standards to make appropriate changes consistent with changes to Licensor's brand standards for the Upscale Brand Segment and Upper-Upscale Brand Segment of Licensor Lodging Facilities, but only to the extent applicable to the Licensed Business and with appropriate modifications to reflect appropriate differences between hotel service levels and service levels applicable to the Licensed Destination Club Business and the License Whole Ownership Residential Business. Licensor shall provide notice to Licensee of any such modifications proposed by Licensor.

(ii) Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensee's prior written consent, which shall not be unreasonably withheld; provided, however, that Licensee shall have no right to consent to modifications: (1) in fire and life safety components of the Brand Standards (although Licensee may request that Licensor's life safety committee consider such exceptions as Licensee may propose); (2) to Brand Standards related to food safety, and global safety and security; (3) in the Electronic Systems Standards, subject, however, to Section 10.1.B (provided that such modifications do not conflict with Data Protection Laws that apply to the Licensed Business, and if such conflicts would result from the modification, the parties will seek to resolve such conflict, and Licensee will comply with a standard that does not conflict with Licensee's obligations under Data Protections Laws that most closely addresses the requirements of the modified Brand Standard); (4) to the cross-selling standards and protocols applicable to all Licensor Lodging Facilities as such standards and protocols apply to inventory in the Reservation System; (5) the Brand Standards related to any of the Licensed Marks described in (vi) of the definition of Licensed Marks and/or the appearance, including the color, font, stylization, script, or format, of the word "Marriott" used as part of the Licensed Marks, subject in each case to the requirements of Section 13.2.B(3); or (6) that are required by Applicable Law. Licensor agrees that if Licensor changes the cross-sell standards or protocol, Licensor will do so only if there is a bona fide commercial basis for such change that is consistent with Licensor's reasonable business judgment as set forth in Section 21.1 and is not motivated by a desire to reallocate or shift business away from Licensee, even though such effect might result from such change. For the avoidance of doubt, if Licensor or its Affiliates acquires or develops a Licensor Lodging Facility brand or changes the segment or brand positioning of an existing Licensor Lodging Facility brand, Licensor may place such new, or existing but repositioned, Licensor Lodging Facility brand in a higher priority in the cross-sell protocol than it is as of the Effective Date relative to the positioning of the Projects.

(iii) With respect to modifications for which Licensee's prior written consent is not required pursuant to Section 7.2.B(ii), such modifications shall take effect within a reasonable period of time after Licensee's receipt of Licensor's notice pursuant to section 7.2.B.(i), taking into account applicable factors and circumstances, such as the importance of the modifications to safety and security, whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel implementation schedule with respect to such modifications.

(iv) With respect to modifications that are subject to Licensee's prior written consent pursuant to Section 7.2.B(ii), Licensee shall notify Licensor within thirty (30) days of receipt of Licensor's notice pursuant to Section 7.2.B(i) of Licensee's consent or objection to any such modifications. With respect to modifications for which Licensee has provided its written consent, such modifications shall take effect within a reasonable period of time agreed to by the parties after Licensee has provided its written consent, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel

implementation schedule with respect to such modifications. If the parties cannot agree to a timeline for implementation of the modification within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), then Licensee may object to the proposed modification on that basis. If Licensee does not consent or object to such proposed modifications to the Brand Standards within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), such proposed modifications shall be deemed consented to by Licensee and will take effect as set forth in the immediately preceding sentence.

C. Licensee may from time to time propose modifications to the Brand Standards with respect to any aspect of the Licensed Business. Licensee shall provide notice to Licensor of any such modifications proposed by Licensee. Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensor's prior written consent, which (i) in the case of modifications to the Brand Standards described in Section 7.2.B(ii)(1) through (6), may be granted or withheld in Licensor's sole discretion and (ii) in the case of modifications to all other Brand Standards, including those that are part of the Operational Brand Standards, the Design Guide, the Brand Style and Communication Standards (except if the proposed change conflicts with the Brand Standards related to the Licensed Marks that Licensor may modify without Licensee's consent in accordance with Section 7.2.B(ii)(5)), and the Quality Assurance Program (including the Customer Satisfaction System and the Quality Assurance Audit System), shall not be unreasonably withheld. Licensor shall notify Licensee within thirty (30) days of receipt of Licensee's notice pursuant to this Section 7.2.C of Licensor's consent or objection to any such modifications. With respect to modifications for which Licensor has provided its written consent, such modifications shall take effect within a reasonable period of time agreed to by the parties after Licensor has provided its written consent, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations and the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects. If the parties cannot agree to a timeline for implementation of the modification within thirty (30) days following receipt of Licensee's notice pursuant to this Section 7.2.C, then Licensor may object to the proposed modification on that basis. If Licensor does not consent or object to such proposed modifications to the Brand Standards within thirty (30) days following receipt of Licensee's notice pursuant to this Section 7.2.C, such proposed modifications shall be deemed consented to by Licensor and will take effect as set forth in the immediately preceding sentence.

D. Except as provided in Section 7.2.E, in the event of a dispute regarding proposed modifications to any aspect of the Brand Standards with respect to which either party has consent rights under Section 7.2.B or 7.2.C (other than consents that may be granted or withheld in Licensor's sole discretion), either party may refer the matter to an Expert for resolution pursuant to Section 22.5.

(i) For modifications regarding physical aspects of the Brand Standards proposed by Licensor, the Expert will determine whether Licensor's proposed modifications are consistent with changes to the applicable lodging brand segment(s) and otherwise applicable to, and appropriate for, the Licensed Business.

(ii) For modifications proposed by Licensee, the Expert will determine whether Licensor's objection to Licensee's proposed modifications is reasonable, taking into account Licensor's brand standards for the Upscale Brand Segment and Upper-Upscale Brand Segment of Licensor Lodging Facilities, the applicability of such standards to Licensed Destination Club Projects and Licensed Residential Projects, the appropriate differences between hotel service levels and service levels applicable to the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business, and whether the failure to implement such modifications will or may adversely affect the Upscale Brand Segment and Upper-Upscale Brand Segment of Licensor Lodging Facilities that bear the Marriott name.

If the Expert determines that any such proposed modifications are appropriate, such modifications shall take effect within a reasonable period of time after the Expert's determination, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel implementation schedule with respect to such modifications. If the Expert determines that such proposed modifications are not appropriate, then the Brand Standards will not be modified to reflect such modifications with respect to the Licensed Business.

E. In the event that Licensee does not consent to modifications to any service aspect of the Brand Standards proposed by Licensor with respect to which Licensee has consent rights under Section 7.2.B, and customer satisfaction levels at the Projects decrease greater than five (5) percentage points during the twelve (12) month period immediately following the date on which such change was to have been implemented, the parties shall investigate the reason(s) for the decrease. If the failure to implement one or more proposed modifications to any service aspect of the Brand Standards is determined to be a material reason for any such decrease, then Licensee shall promptly implement such modifications, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable MHR Hotel implementation schedule with respect to such modifications.

F. For the avoidance of doubt, nothing herein shall limit in any manner Licensor's or its Affiliates' ability to modify or change any standards applicable to Licensor's Lodging Business or Whole Ownership Residential Business, or any other business or activity in which Licensor or its Affiliates may engage from time to time, other than the Licensed Destination Club Business or the Licensed Whole Ownership Residential Business.

8. OPERATIONS

8.1 Operating the Projects and the Licensed Business.

Licensee will operate the Projects and the Licensed Business in compliance with this Agreement, the System, and the Brand Standards, subject to Applicable Law and the rights and duties of the applicable Property Owners' Associations, and Licensee will:

(1) permit the duly authorized representatives of Licensor to: (i) enter facilities utilized by Licensee in the Licensed Business (including the Projects and Sales Facilities) and inspect such facilities at all reasonable times to confirm that Licensee is complying with the terms of this Agreement, the System, and the Brand Standards; and (ii) test any and all equipment, food products, and supplies located at the Projects. Licensor has no duty or obligation to conduct ongoing inspections of the Projects or other facilities utilized by Licensee in the Licensed Business;

(2) not knowingly permit gambling to take place at any Project (except for a limited number of reputable charitable events permitted by Applicable Law) or use any Project for any casino, lottery, or other type of gaming activities, or otherwise directly or indirectly associate with any gaming activity, unless such activities are approved in writing by Licensor's Casino Oversight Committee;

(3) provide all food and beverage service in the Projects in conformity with the Brand Standards and Applicable Law; and

(4) with respect to transient rentals for overnight accommodation at Projects offered or made through the Reservation System, participate in travel agent programs, Brand Loyalty Programs, and any complaint resolution programs as Licensor may establish in its discretion, all to the extent applicable to the Licensed Business.

8.2 Employees.

Licensee will employ suitably qualified individuals sufficient to staff all positions at the Projects and with respect to the Licensed Business. Licensee will use its best efforts to ensure that Licensee's employees at all times comply with the Brand Standards.

8.3 Management and Operation of the Projects.

A. Except as provided in Section 8.3.B, all Projects must be operated by Licensee or one of its Affiliates unless Licensor has consented in writing to a third-party management company that is not an Affiliate of Licensee ("Management Company") to operate a particular Project, which consent may be granted or withheld in Licensor's sole discretion and withdrawn at any time if Licensor determines that such Management Company is no longer qualified to manage the particular Project. Any Management Company approved by Licensor must execute and deliver to Licensor a Management Company Acknowledgment in the form required by Licensor, the current form of which is attached hereto as Exhibit C.

B. Notwithstanding Section 8.3.A, Licensor acknowledges that (i) certain functions of Projects may be delegated or subcontracted to third-parties in accordance with Section 5.8; (ii) Licensor or its Affiliates may operate certain Projects ("Licensor Managed Projects") under separate management agreements ("Licensor Management Agreements"); (iii) certain aspects of certain Projects may be subject to shared service and integrated facility arrangements with co-located lodging properties and other facilities; and (iv) Licensee may delegate to Licensee's Affiliates the authority to operate certain Projects in accordance with Sections 5.1.C. and 5.2.D.

8.4 Customer Satisfaction System and Quality Assurance Audit System.

A. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Customer Satisfaction System. Licensee shall administer the Customer Satisfaction System, using Licensee's Customer Satisfaction System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. The results of the Customer Satisfaction System surveys shall be provided to Licensor on a periodic basis, but not less than once every three (3) months. Licensee shall pay all costs for such Customer Satisfaction System.

B. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Quality Assurance Audit System. Licensee shall administer the Quality Assurance Audit System, using Licensee's Quality Assurance System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. Licensee shall conduct audits of each Project under the Quality Assurance Audit System no less than annually, unless Licensor consents to a longer period in writing. Licensee shall pay all costs for such Quality Assurance Audit System.

C. Licensor has the right to periodically audit Licensee's Customer Satisfaction System and Quality Assurance Audit System process and results in order to confirm the reliability of the process and results, that Licensee's Customer Satisfaction System is sufficient to accurately measure customer satisfaction, and that Licensee's Quality Assurance Audit System is sufficient to accurately measure compliance with the Brand Standards at the Projects. Audits of the Customer Satisfaction

System or the Quality Assurance Audit System shall be at Licensor's expense, unless such audit reveals a material deficiency in the Customer Satisfaction System or the Quality Assurance Audit System that adversely affects the reliability of the process or results or the accuracy of measuring customer satisfaction or compliance with Brand Standards at the Projects, as applicable (in either case, a "Deficiency"), in which case the audit expense shall be borne by Licensee.

D. If Licensor determines that there is a Deficiency in the Customer Satisfaction System or the Quality Assurance Audit System, Licensor will notify Licensee of the Deficiency, provide Licensee with reasonable detail regarding the Deficiency, and the parties will work together to identify potential resolutions for, and agree on the measures that Licensee will take to resolve, such Deficiency. If the parties fail to agree on a process to resolve the Deficiency within sixty (60) days following such notice, or, if the Deficiency is not resolved within one hundred eighty (180) days following such notice, Licensor has the right to require that Licensee implement a customer/guest satisfaction program or quality assurance system designed or approved by Licensor, in which event, Licensee will (i) provide Licensor with all Customer Satisfaction System or the Quality Assurance Audit System material that is not included in the documentation to which Licensor has been provided access, including, without limitation, underlying Brand Standards that are referred to but are not included in Quality Assurance Audit System questionnaires and forms and (ii) be required to pay the fees and charges applicable to such program. If Licensee fails to implement such customer/guest satisfaction program or quality assurance system designed or approved by Licensor, such failure shall be deemed a default and Licensor may terminate this Agreement immediately upon notice to Licensee under Sections 18.2.A.(v) and 18.2.A(vi), as applicable.

E. The parties will discuss changes that Licensor has made to the customer/guest satisfaction program or quality assurance system that Licensor uses for Licensor Lodging Facilities no less often than annually at the annual meeting contemplated in Section 11.2.E.

F. Licensor acknowledges that Licensee may include questions as part of the Customer Satisfaction System survey process that are not intended to measure customer satisfaction but instead intended to capture customer preference, gauge customer interest, and other market research functions and that such questions shall not be considered for purposes of measuring customer satisfaction hereunder.

8.5 Projects Controlled by Non-Controlled Property Owners' Association.

If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop, operate, maintain, or renovate the Project in compliance with this Agreement, the System, or the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), Licensee shall promptly request that the Non-Controlled Property Owners' Association cure the failure (i) for Existing Projects, within the applicable cure periods set forth in the agreements governing such Existing Project (or any longer period required by Applicable Law) or (ii) for New Projects, within the shorter of (x) the applicable cure periods set forth in Section 18 or (y) the applicable cure periods set forth in the agreements governing such New Project (or any longer period required by Applicable Law), after notice of the failure, provided, that if the failure is not susceptible of being cured within the applicable period, Licensee shall have the right to extend such period for such additional period as is reasonable under the circumstances if cure is being diligently pursued, and, in no event, will such additional period be more than three hundred sixty five (365) days. If the Non-Controlled Property Owners' Association does not cure such failure within the applicable cure period, Licensee shall promptly issue default notices to the Non-Controlled Property Owners' Association and promptly take such actions as are required to Deflag the Project in accordance with the agreements governing such Project or as otherwise required by Applicable Law. If the Non-Controlled Property Owners' Association cures such failure prior to Deflagging in accordance with any cure rights provided in the agreements governing such Project or Applicable Law, Licensee will have the right to cease Deflagging the Project and maintain the Project as part of the Licensed Business.

9. RESTRICTIONS AND LIMITATIONS ON CONDUCT OF LICENSED BUSINESS

9.1 Offers and Sales of Destination Club Units and Residential Units; Use of Licensed Business Customer Information.

A. Licensee must comply with the System, Brand Standards, and Applicable Law in connection with the offer and sale of interests in Destination Club Units and Residential Units as part of the Licensed Business. Without limiting the foregoing, Licensee shall be required to (i) comply with appropriate and commercially reasonable procedures and processes established by, or acceptable to, Licensor to prevent Licensee from doing business with prospective customers, Members, purchasers or other persons in contravention of Applicable Law; (ii) comply in all material respects with applicable existing and future condominium, association and trust agreements, CC&Rs, zoning and land use restrictions, and property management agreements; (iii) comply with Permitted Territorial Restrictions relating to or associated with hotels, resorts, lodging facilities and Residential Projects operated under brands owned or controlled by Licensor or its Affiliates that are in place as of the Effective Date; and (iv) comply in all material respects with Licensor's applicable customer and data privacy and security standards and protocols that Licensor uses in the conduct of its business as such standards and protocols apply to the Licensed Business.

B. The applicable condominium and/or timeshare documentation, including the condominium declaration, public offering statement, form of purchase and sale agreement, condominium association formation documents, rules and regulations, and all related documents and instruments (collectively, the "Offering Documents"), shall be subject to Licensor's review upon reasonable notice (on a periodic audit basis) for the purpose of ensuring that the Offering Documents properly reflect the relationship between Licensor and Licensee and Licensee's rights to use the Licensed Marks hereunder. If the Offering Documents do not properly reflect the relationship between Licensor and Licensee and Licensee's rights to use the Licensed Marks hereunder, Licensor will provide notice to Licensee thereof, which notice shall identify the deficiencies in the Offering Documents. Licensee shall promptly make changes to the Offering Documents to address such deficiencies and provide the revised Offering Documents to Licensor for Licensor's review and approval of the changes. Licensee shall not use the revised Offering Documents (or permit the revised Offering Documents to be used) until such changes have been approved by Licensor (for purposes of clarification, the foregoing shall not prohibit Licensee from using the existing Offering Documents until the revised Offering Documents are approved by Licensor and applicable governmental authorities).

C. Licensee shall, as part of the sales process, provide disclosure to each prospective purchaser in the form attached as Exhibit L, subject to modifications required by governmental authorities for the subject jurisdiction or that are necessary to properly describe the subject Project, and have each purchaser acknowledge receipt of such disclosure in writing, which, among other things, discloses to prospective purchasers that (i) the Licensed Business is owned and managed by Licensee; (ii) neither Licensor nor any of its Affiliates is the seller of the interests in the Licensed Destination Club Units or Licensed Residential Units, as applicable; and (iii) that the Marriott name is used by Licensee pursuant to a license, and that if such license is revoked, terminated, or expires, Licensee shall no longer have the right to use the Licensed Marks in connection with the Licensed Business or the relevant Project. Licensee shall be permitted to incorporate such disclosure with other disclosures Licensee makes to prospective purchasers. Licensee will communicate the license arrangement to existing Members of the Existing Projects either within the disclosure circular or in a supplementary disclosure in a form acceptable to Licensor.

D. All Licensed Business Customer Information, whether acquired, obtained or developed prior to or after the Effective Date, shall be used solely for engaging in the Licensed Business or the Ritz-Carlton Licensed Business, and for no other use or purpose whatsoever. Other than as permitted under this Agreement, Licensee will not have, claim, or assert any right against or to such Licensed Business Customer Information. Within sixty (60) days after the end of each calendar year during the Term, Licensee shall provide Licensor with a written certification (in the form required by Licensor) signed by Licensee's chief executive officer and chief information officer, that Licensee and its Affiliates have maintained, in all material respects, effective internal control over the maintenance and security of Licensed Business Customer Information in accordance with the terms of this Agreement related to the treatment and use of Licensed Business Customer Information during the immediately preceding calendar year. After the expiration of the Term or termination of this Agreement, all Licensed Business Customer Information shall be used only as set forth in Section 19.2(7). Licensor acknowledges that Property Owners' Associations, boards, and Members have certain rights to Licensed Business Customer Information for their respective Projects and that Licensed Business Customer Information is in the public record in some jurisdictions and may be compiled or derived by third parties. Without limitation of the forgoing, Licensee shall not sell any Licensed Business Customer Information to third parties, and Licensee shall not disclose or otherwise provide any Licensed Business Customer Information to any third-parties other than in connection with the operation of the Licensed Business and in accordance with this Agreement. Licensor acknowledges that Licensed Business Customer Information may be used by Licensee in connection with the Ritz-Carlton Licensed Business pursuant to the terms and conditions of the Ritz-Carlton License Agreement.

E. If Licensee acquires a third-party customer list ("Third-Party List") following the Effective Date, Licensee may use such list in connection with, and/or transfer such list to, the Licensed Business and/or Licensee's other business(es). Such list can be used independently in connection with the Licensed Business and/or any of Licensee's other business(es), but if the information in the Third-Party List evolves based on, or otherwise becomes supplemented with, Licensed Business Customer Information as a result of its transfer to, or use by, the Licensed Business (the "Modified Third-Party List"), then the Modified Third-Party List may not thereafter be used for, or transferred to, (i) any of Licensee's or its Affiliates' other businesses or (ii) any other third party for use other than solely for engaging in the Licensed Business. Licensee and its Affiliates shall not be permitted or required to cross-check any Customer Information or customer list of any of Licensee's or its Affiliates' other businesses with the Licensed Business Customer Information. Any Customer Information obtained by Licensee on or after the date of the Spin-Off Transaction in connection with Licensee's other businesses unrelated to the Licensed Business that is not used in, or in connection with, the Licensed Business may be used by Licensee and its Affiliates for any purpose, including (i) and (ii) above.

F. Licensee will be permitted to sell interests in Licensed Destination Club Units or Licensed Residential Units to vacation/destination/timeshare clubs or other travel programs ("Competing Entities") without Licensor's prior written consent, provided, that Licensee shall take all commercially reasonable actions required by Licensor to ensure that such Competing Entities will be prohibited to the maximum extent legally permissible from using any of the Licensor Intellectual Property in connection with the marketing, sales, rental, or other use of such units. Licensor hereby consents to arrangements that Licensee has in place as of the Effective Date with respect to the foregoing and Licensee may continue such arrangements after the Effective Date with respect to the Projects covered thereby; provided, however, that Licensee shall not enter into any new or additional such arrangements that do not meet the requirements of this Section 9.1.F, and Licensor does not waive any claims Licensor may have against such Competing Entities with respect to the improper use of Licensor Intellectual Property.

G. Licensee will be permitted to use the Licensed Marks on logoed collateral merchandise, such as golf shirts, other apparel and promotional items (collectively, "Logoed Merchandise") that is provided solely to promote the Projects and solely through gift or retail shops located at Projects or Sales Facilities or through Licensee's Website, all in a manner that is consistent with Licensee's or its Affiliates' use of the Licensed Marks in such respect as of the Effective Date and with an overall level of quality of Logoed Merchandise that is consistent with the Upscale Brand Segment and Upper-Upscale Brand Segment. Licensee acknowledges and agrees that (i) Licensor has not applied for and does not maintain registrations for the Licensed Marks covering some or all of the Logoed Merchandise in any jurisdiction and has no obligation to apply for or maintain such registrations in the future; (ii) Licensor makes no representations or warranties regarding Licensee's ability to use the Licensed Marks on Logoed Merchandise in any jurisdiction or that Licensee's use of the Licensed Marks on Logoed Merchandise in any jurisdiction will not infringe, dilute or otherwise violate the trademark or other rights of any third party; (iii) Licensee's use of the Licensed Marks on Logoed Merchandise shall be at Licensee's sole risk and without recourse against Licensor or its Affiliates; (iv) Licensee shall not knowingly engage in any act or omission which may diminish, impair or damage the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks, including without limitation by utilizing any facility which manufactures or assembles Logoed Merchandise in violation of the laws of the country in which such facility is located ("Illegal Facilities"); (v) Licensee will comply, at its sole expense, with all Applicable Laws in connection with the manufacture, sale, marketing, and promotion of the Logoed Merchandise in the countries where such activities take place, including without limitation any prohibitions against Illegal Facilities; (vi) at Licensor's request, Licensee will promptly provide to Licensor representative samples of then-current Logoed Merchandise and any associated packaging and displays; (vii) at Licensor's request, Licensee will promptly make any changes to its Logoed Merchandise or its uses of the Licensed Marks on Logoed Merchandise that do not comply with this Section 9.1.G.; (viii) Licensee will use the Licensed Marks on Logoed Merchandise in accordance with the then-current Brand Standards; and (ix) Licensee shall promptly cease use, distribution, promotion, marketing and sale of Logoed Merchandise bearing the Licensed Marks in any jurisdiction where Licensor requests such use to cease as a result of a claim or challenge raised by a third party or if Licensor in its sole discretion believes such use diminishes, impairs or damages the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks.

9.2 Transient Rentals of Licensed Destination Club Units and Licensed Residential Units.

A. Subject to Section 10.2, Licensee shall have the right to engage in the transient rental of inventory of Licensed Destination Club Units and Licensed Residential Units, respectively, (i) that is held for development and sale and owned by Licensee, its Affiliates, a Property Owners' Association or a third party with which Licensee or its Affiliates has entered into a development agreement; (ii) that is controlled by Licensee or its Affiliates as a result of Member participation in programmatic elements of Licensed Destination Club Products (e.g., exchange, banking, borrowing, Brand Loyalty Program trade, and similar programs); and (iii) that is controlled by Licensee, its Affiliates or a Property Owners' Association as a result of Member default (e.g., maintenance fee defaults or financing defaults) pending foreclosure or cure in the ordinary course of business, in each case so long as such transient rental would not violate any then-existing Permitted Territorial Restriction.

B. With respect to Existing Projects at which Licensee has not engaged in transient rental and for which Licensee has not notified Licensor prior to the Effective Date of Licensee's intention to engage in transient rentals (each of which is identified in Exhibit H), prior to engaging in any transient rental activity, Licensee shall give notice of Licensee's intent to engage in transient rental activity to Licensor. If Licensor determines that any transient rental activity would violate any then-existing Permitted Territorial Restriction, then Licensor shall so notify Licensee, and Licensee shall not be permitted to engage in such transient rental activity to the extent such transient rental activity would violate such Permitted Territorial Restriction and for so long as such Permitted Territorial Restriction remains in effect.

C. With respect to New Projects, Licensor will evaluate the territorial or other contractual or legal restrictions applicable to Licensor or its Affiliate in connection with the New Project Application process described in Section 5.2. If Licensor determines that any transient rental activity at a New Project would violate any then-existing Permitted Territorial Restriction, then Licensor shall so notify Licensee, and Licensee shall not be permitted to engage in such transient rental activity to the extent such transient rental activity would violate such Permitted Territorial Restriction and for so long as such Permitted Territorial Restriction remains in effect.

9.3 No Affiliation with Other Brands/Businesses.

A. Licensee shall not affiliate with or use the Licensor Intellectual Property in conjunction, or association, with any brand, trademark, product, service, or business other than the Licensed Business which is the subject of this Agreement, or use the Licensor Intellectual Property in a way that could reasonably be interpreted as endorsing, or suggesting affiliation with, any other brand, mark, product, service or business, other than marketing alliances and exchange affiliations that are consistent with the practice of Licensee and its Affiliates during the period from January 1, 2005 until the Effective Date, as reasonably demonstrated by Licensee, and other marketing alliances, exchange affiliations and similar arrangements permitted under Section 9.5.

B. (i) Subject to the Noncompetition Agreement, nothing in this Agreement is intended to prevent Licensee or its Affiliates from creating, developing, operating, licensing, or managing its own brand or system for (1) Destination Club Projects or Destination Club Products or (2) a Lodging Business; provided, however, that as set forth in this Agreement, Licensee shall not use Licensor Confidential Information, the Branded Elements, or the Licensed Business Customer Information in connection with any business other than the Licensed Business, and nothing in this Agreement will require Licensor to license or franchise any lodging project to Licensee if Licensee creates, develops, operates, licenses, or manages a brand or system for a Lodging Business (a "Licensee Competitive Lodging Brand"), unless Licensor and Licensee have agreed on a separation plan pursuant to which Licensee agrees to restrictions to ensure appropriate separation of the Licensee Competitive Lodging Brand from Licensee's Lodging Business related to Licensor Lodging Facilities (the "Separation Plan").

(ii) Licensor has entered into such plans in the past to address the actual factual issues raised by the licensee business structure to protect against misuse of licensor's confidential information and against inappropriate sharing or discussion of pricing and other sensitive information. A Separation Plan in this instance would require, among other things, that Licensee's business related to the Licensee Competitive Lodging Brand, on one hand, and the Licensed Business and Licensee's Lodging Business related to Licensor Lodging Facilities, on the other hand, be operated by different individuals who are located in geographically separate facilities, and enough other separation to ensure separate day-to-day operating teams with different employees and separate books and records. The goal of the Separation Plan is to prevent Licensee from using, sharing or discussing confidential information, pricing and other sensitive information with or for the benefit of the Licensee Competitive Lodging Brand and to maintain the confidentiality of such information, whether this is accomplished by physical separation or by Licensor not providing such information. The confidential information, pricing and other sensitive information covered by the Separation Plan would include Licensor Confidential Information, any pricing data, market data, marketing plans, customer lists, marketing participation information, revenue or inventory management systems, personal guest profiles and information regarding guest preferences, marketing or brand initiatives, or other similar non-public information or materials related to

ownership, management and operation of Licensor Lodging Facilities. In furtherance of the foregoing the Separation Plan will likely need to provide that (a) Licensor may limit Licensee and its Affiliates from access in connection with Licensee's Lodging Business to certain information that Licensor reasonably determines is highly sensitive or confidential, such as pricing, market strategy, customer lists, and other similar information with respect to Licensor Lodging Facilities, and Licensor may restrict such access by limiting or prohibiting participation in programs, meetings, and other shared services arrangements even if other franchisees or owners of Licensor Lodging Facilities are allowed access to such programs, meetings and other shared services; (b) Licensor shall have the right to limit or exclude Licensee and its employees, officers, directors and Affiliates from participating in or holding an officer position on any franchise advisory council or similar entity for Licensor Lodging Facilities, and (c) no Licensor Lodging Facility may be advertised or marketed in any manner or in connection with the Licensee Competitive Lodging Brand. For purposes of clarification, the foregoing is not intended to affect access by Licensee and its Affiliates to information with respect to the Licensed Business pursuant to this Agreement.

C. Licensee shall not establish or operate a Sales Facility at any hotel or resort owned, operated, or franchised by a Lodging Competitor without Licensor's prior written consent. In the event that a Licensor Lodging Facility in which a Sales Facility is located is Deflagged and becomes a hotel or resort operated under a Lodging Competitor Brand, Licensee may continue to operate such Sales Facility in such hotel or resort until the expiration or termination of the arrangement under which the Sales Facility is operating; provided, however, that Licensee shall not renew, extend, or enter into any new arrangement with respect to such Sales Facility at such hotel or resort without Licensor's prior consent.

9.4 Destination Club Businesses and Whole Ownership Residential Businesses Operating Under Other Brands.

Subject to Sections 9.3 and 13.2.A(4), Licensee may engage in a Destination Club Business and a Whole Ownership Residential Business under or in connection with brands other than the Licensed Marks, provided that no Existing Projects may be operated by Licensee or its Affiliates under another brand unless: (i) such Existing Project is removed from the System by Licensee in good faith for failure of a Non-Controlled Property Owners' Association to comply with the management agreement (whether by failure to provide adequate funds to maintain the Brand Standards or otherwise), or if Licensee makes a commercially reasonable determination (and Licensor agrees with such determination) that such project no longer adequately represents the then-current Licensed Destination Club Project or Licensed Residential Project, as applicable, brand positioning; (ii) a Non-Controlled Property Owners' Association terminates its management agreement with Licensee or refuses to renew the management agreement on the then-current terms and conditions; or (iii) Licensor terminates Licensee's right to operate such Existing Project in accordance with this Agreement. A Project is removed from the System for purposes of this Section 9.4 when no customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property are used by Licensee at or for such Project (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) and no Branded Elements or Licensor Intellectual Property (including any corporate name containing the word "Marriott") are used to promote, market or sell any other product or service at or for the Project. Licensee's failure to comply with subsections 9.4(i) through (iii) shall be a default under this Agreement and will result in Licensee failing to have met the conditions precedent to converting the Project to another brand.

9.5 Services and Products Made Available to Members and Marketing and Exchange Arrangements.

A. Licensee may only enter into marketing arrangements with respect to the Licensed Business with third parties, and may only make available to Members those products and services (including Exchange Programs), (i) that are consistent with the brand positioning of the Licensed Business and, with respect to such marketing arrangements, are in compliance with the Brand Standards or (ii) that are in place as of the Effective Date or that are consistent with Licensee's practice during the period from January 1, 2005 until the Effective Date, as reasonably demonstrated by Licensee. Licensor may object if Licensor becomes aware of any such practice that Licensor believes is inconsistent with the Brand Standards. Licensor will notify Licensee of such objection, and the parties will engage in discussions and attempt to agree on modifications to such practice(s) so that such practice(s) will be in compliance with the Brand Standards. For local marketing alliances, the positioning of the Project in the local market shall be the governing standard.

B. Licensee shall have the right to seek prior written confirmation from Licensor on a confidential basis that any proposed program or arrangement is consistent with applicable Brand Standards and will not result in a breach of Licensee's obligations under this Agreement. With respect to programs or arrangements undertaken by Licensee with respect to the Licensed Business and for which Licensee has not received Licensor's prior written confirmation ("New Licensee Program"), Licensor shall have the right to object to any such program or arrangement in the event Licensor believes that such program or arrangement is inconsistent with applicable Brand Standards. In the event Licensee and Licensor are not able to come to agreement on the issue, then either party may refer the matter for Expert resolution pursuant to Section 22.5, or if Licensee initiates a New Licensee Program without first seeking confirmation that the New Licensee Program is consistent with the Brand Standards and Licensor determines that such New Licensee Program is not consistent with the Brand Standards, then Licensor may refer the matter for Expert resolution pursuant to Section 22.5. In either case, if the Expert finds in favor of Licensor, then Licensor's prior written consent shall be required for each New Licensee Program that is implemented on a system-wide or region-wide (e.g., throughout the United States, Europe, the Middle East, Latin America, Asia Pacific or a substantial portion thereof) basis for the twenty-four (24) month period following any such determination.

C. Licensee shall not allow its Members of any Project to exchange their right to use and occupy Licensed Destination Club Units for stays (or other benefits) at luxury or upscale hotels other than those operated or franchised by Licensor or its Affiliates, except through general Exchange Programs or through tour operator arrangements that are in compliance with Licensor's Brand Standards related to approved distribution channels; provided that Licensee shall be permitted to include hotels that are neither Licensor Lodging Facilities nor a part of a Lodging Competitor's hotel system in its Explorer, Club Connections, or similar program in locations where a Licensor Lodging Facility of the same brand segment and of a suitable experience type (e.g., resort) is not available. Licensor will not object to the Exchange Program and tour operator arrangements that Licensee has in place as of the Effective Date as not being in compliance with Brand Standards, and Licensee may continue such arrangements after the Effective Date with respect to the Projects covered thereby; provided, however, that Licensee shall not enter into any new or additional such arrangements that do not meet the Brand Standards, and Licensor does not waive any claims related to misuses of the Licensed Marks. Licensee shall have the right to operate its own Exchange Programs. Licensee may use the Licensed Marks as part of a branded Exchange Program name approved in writing by Licensor. Branded Exchange Programs operated by Licensee or its Affiliates in which both Licensed Destination Club Units and other Destination Club Units participate shall be subject to commercially reasonable safeguards to be agreed by Licensor and Licensee, such as a prohibition on prominently featuring or marketing products under brands other than the Licensed Marks in such a way as to imply endorsement of such other brands by, or affiliation with,

Licensor, and limits on the right of Licensee to use the Licensed Business Customer Information to benefit such Exchange Programs. At Licensor's request, use of the Licensed Marks as part of a branded Exchange Program name shall be discontinued if (i) at any time the aggregate number of Licensed Destination Club Units that participate in such branded Exchange Program is less than one-half (1/2) of the total number of all Destination Club Units that participate in such branded Exchange Program or (ii) Licensee permits Destination Club Units operated under any Hilton Brand or Starwood Brand to participate in such Exchange Program, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date.

D. Licensee shall not list, promote, rent or sell any Licensed Destination Club Unit or Licensed Residential Unit inventory for transient rental that is controlled or owned by Licensee or its Affiliates through any distribution channels of a Lodging Competitor.

E. Licensee shall comply with all restrictions and requirements set forth in Licensor's then-existing promotional, marketing or other alliance programs in place as of the Effective Date to the extent they apply to Licensee following the Effective Date.

9.6 Changes in Programs, Services or Benefits.

Prior to making any significant systemic changes in the Licensed Destination Club Business or the Licensed Whole Ownership Residential Business (for example, conversion to a points program), Licensee shall have the right to seek prior written confirmation from Licensor, on a confidential basis, that any such change is consistent with the Brand Standards and will not result in a breach of Licensee's obligations under this Agreement. In the event of a dispute regarding whether any such change is inconsistent with the Brand Standards or would result in a breach (whether or not Licensee sought prior confirmation that the proposed change is consistent with the Brand Standards), the dispute will be referred for Expert resolution pursuant to Section 22.5.

10. ELECTRONIC SYSTEMS

10.1 Systems Installation.

A. Licensee will, as a cost of the Licensed Business, arrange for the purchase or lease, installation, maintenance, and use at the Projects of all Electronic Systems that Licensor reasonably requires or that Licensee chooses to use in connection with the Licensed Business, in accordance with the Brand Standards and specifications provided by or on behalf of Licensor and may not use such Electronic Systems for anything not specifically related to the Projects and the Licensed Business.

B. Notwithstanding the foregoing, Licensee may use any electronic system that, in Licensor's judgment, is comparable to a particular required Electronic System and performs the same functions as such Electronic System and is compatible, and interfaces, with Licensor's Electronic Systems.

10.2 Reservation System.

A. Licensor will make the Reservation System available to Licensee in connection with the Licensed Business, including for reservations relating to Member usage, marketing usage, transient rental usage, and other usages of Licensed Destination Club Units and Licensed Residential Units. All Licensed Destination Club Units and Licensed Residential Units inventory made available by Licensee for transient rental stays of thirty (30) days or less must be listed in the Reservation System, but such inventory shall not be included in Lodging Competitors' distribution channels, provided that for the

purposes hereof, any distribution channels included within Licensor's channel standards or otherwise approved by Licensor shall not be deemed Lodging Competitors' distribution channels. Licensee will comply with all Brand Standards applicable to the Licensed Business related to participation in the Reservation System, including, without limitation, the prohibitions on the inclusion of transient rental inventory other than inventory in Licensor Lodging Facilities or in Projects in elements of the Reservation System visible by customers, travel agents, and other members of the public. For purposes of the foregoing, Licensor and Licensee acknowledge that the seasonal nature of the Licensed Destination Club Business and Member use patterns (including increased Member use in high demand seasons) and leisure-based use patterns (including higher weekend occupancy and lower weekday occupancy) create transient rental inventory availability patterns that may differ from those for Licensor Lodging Facilities. As such, certain Brand Standards relating to participation in the Reservation System may not be suitable for the Licensed Destination Club Business (such as minimum room availability requirements for Brand Loyalty Program redemptions or the "50% Off Associate Rate" winter offer).

B. If Licensee is in material breach of this Agreement and does not cure the breach as required by Licensor's notice of breach, Licensor may, in addition to any other remedies it may have and in accordance with Section 18.4, suspend Licensee's right to use the Reservation System at one (1) or more of the Projects (or a part of any Project) with respect to transient rentals of Licensed Destination Club Units and/or Licensed Residential Units until the breach is cured. In the event such breach relates to one (1) or more Projects, Licensor may exercise its right to suspend Licensee from the Reservation System under this Section 10.2.B. with respect to the applicable Project(s). In the event such breach relates to the Licensed Business apart from specific individual Projects or to all or substantially all of the Projects, Licensor may suspend the entire Licensed Business and all of the Projects from the Reservation System under this Section 10.2.B. Licensee covenants not to bring any damages claims against Licensor and its Affiliates arising from Licensee's suspension from the Reservation System under Section 18.4, other than claims that Licensee is not in breach of this Agreement.

C. Licensee will have the right to make proposals regarding the Reservation System to Licensor's Reservation Users Group. The parties will agree on a reasonable process for keeping Licensee apprised of initiatives of Licensor's Reservation Users Group that will affect the Licensed Business.

10.3 Electronic Systems Provided Under License.

A. The Electronic Systems not purchased by Licensee will remain the sole property of Licensor or any third party vendors, as applicable. Licensee will at all times treat the Electronic Systems as confidential. As a condition to using the Electronic Systems, Licensee must execute the Electronic Systems License Agreement.

B. Licensee acknowledges that the Electronic Systems will be modified, enhanced, replaced, or become obsolete, and that new Electronic Systems may be created to meet the needs of the System and the continual changes in technology and that any such new Electronic Systems will be subject to the terms of the Electronic Systems License Agreement.

C. Licensee will have the right to make proposals regarding the Electronic Systems to the appropriate group within Licensor's organization that is responsible for strategic initiatives related to Electronic Systems. The parties will agree on a reasonable process for keeping Licensee apprised of initiatives regarding the Electronic Systems that will affect the Licensed Business.

10.4 Proposed Enhancements.

Licensor will reasonably consider changes to the Electronic Systems proposed by Licensee which address issues specifically relevant to the Licensed Business (including any enhancements to the Electronic Systems needed to implement such changes). Licensor shall respond to such requests within one hundred twenty (120) days following Licensor's receipt of the written request. Licensor may condition its consent to changes to the Electronic Systems suggested by Licensee based on factors such as: Licensee's payment of the costs related to such implementation, including, without limitation, incremental internal or out-of-pocket design costs and operating costs (and the allocation thereof on a fair and commercially reasonable basis to other users of the applicable Electronic Systems who benefit from the change); the difficulties of designing or administering such changes; the impact of such changes on the Electronic Systems generally; third party consent requirements; the prioritization of other Electronic Systems projects; the general feasibility of implementing and maintaining such changes over time; and considerations relating to owners and franchisees associated with Licensor Lodging Facilities.

11. LICENSOR SERVICES AND SUPPORT

11.1 Training.

A. Licensor will provide Licensee's personnel that are designated by Licensee (and approved by Licensor as being qualified to provide training programs) training on certain aspects of the System, including the Electronic Systems, that Licensee elects to participate in, as necessary to comply with the Brand Standards. Licensor will also provide training material to such personnel to facilitate the provision of such training by such personnel to other personnel of Licensee and its Affiliates. Licensee shall deliver such programs in accordance with the terms and conditions, and within the time frame, established by Licensor.

B. Licensee must conduct such training for Licensee's employees as is required for them to properly operate, administer and manage the Projects in accordance with the Brand Standards.

C. Licensor may offer, and Licensee may elect to participate in, optional training courses for personnel engaged in operating or managing the Projects.

D. Licensor will have the right to charge tuition, fees or reimbursements described in Section 3.3 for all training programs that Licensor offers, which must be paid before receiving training materials or attending training. For all programs and activities under this Section 11, Licensee will be responsible for paying all Travel Expenses and the salary and other compensation for individuals attending such training. Licensor reserves the right to require that employees of Licensee or its Affiliates and other individuals receiving training execute confidentiality agreements in form and substance satisfactory to Licensor.

11.2 Other Services.

A. Licensor or its Affiliates will provide certain services to, and cooperate with, and provide access to certain systems, to Licensee and its Affiliates in connection with the Licensed Business substantially in accordance with practice of Licensor or its Affiliates as of the date of the Spin-Off Transaction, as set forth in the Services Manual and subject to the provisions, terms, conditions, restrictions and costs as set forth in the Services Manual. Those services and systems include services and systems relating to: (i) sales services, including global incentives and gift cards, the centralized travel agent commission program, the TMC/consortia program, travel agency and intermediary training programs, wholesale sales programs, and national group sales; (ii) marketing services, including global

partnerships and alliances, global promotions, portfolio brand strategy services, facilitation of marketing opportunities at Licensor Lodging Facilities, brand programs and customer research; (iii) data access services, including Licensed Business Customer Information; (iv) global engineering services, including energy management and training; (v) data communications, reservations, telecommunications support, and IMS system access; (vi) operational audit systems; (vii) food and beverage training, procedures and specifications; (viii) e-commerce and information resources services (as set forth in the exhibit to the Electronic Systems License Agreement); and (ix) real estate tax appeals services in certain jurisdictions. The Services Manual may not be amended, modified or supplemented except as expressly permitted herein, including in Section 11.2.C. Licensor and its Affiliates will provide such services in accordance with the applicable standard for the provision of such services as set forth in the Services Manual.

B. Licensor or its Affiliates will also provide Licensee or its Affiliates with the following:

(i) Access to Brand Loyalty Programs, including the Marriott Rewards program pursuant to this Agreement and the Rewards Agreement between Licensor and Licensee;

(ii) The opportunity to participate in supply procurement programs to the extent they are generally available to Licensor Lodging Facility franchisees and licensees and are relevant to the Licensed Business; and

(iii) The opportunity to participate in credit card payment processing arrangements to the extent they are generally available to Licensor Lodging Facility franchisees and licensees and are relevant to the Licensed Business.

C. The parties acknowledge and agree that future changes in and/or replacements of Licensor and its Affiliates' and/or Licensee's and its Affiliates' technologies, systems, business processes, programs and/or business partners over the Term of this Agreement ("Business Changes"), including changes required by Applicable Law or the interpretation or enforcement thereof, could make it more difficult, costly, commercially impractical, or even impossible to continue to provide one or more services provided by Licensor or its Affiliates or Licensee or its Affiliates hereunder (the "Affected Services"), or could otherwise necessitate changes to the Affected Services. In the event of such a Business Change, Licensee and Licensor agree to discuss, in good faith, making commercially reasonable changes to the Affected Services, including changes to the manner, method, scope, delivery, timing and cost of the Affected Services, or substitution of a similar service that accomplishes the principal underlying purpose or function of the Affected Service, in order to permit the Affected Services to continue on a commercially reasonable basis (such changes, "Service Modifications"). The parties understand and agree that the party receiving an Affected Service shall bear the reasonable incremental expense of any Service Modification, including any increased costs required for the providing party to continue to provide the Affected Service as so modified. If the parties cannot agree upon commercially reasonable Service Modifications, taking into consideration any offer made by the party receiving such service to pay the incremental costs of any Service Modification, then the provider of the Affected Service shall no longer be obligated to provide the Affected Service. Notwithstanding the foregoing, in the event that Licensor or its Affiliates generally discontinue any Affected Service that Licensor or its Affiliates had previously offered or provided in connection with Licensor's and its Affiliates' Lodging Business, to Licensor Lodging Facility franchisees or to other third parties, Licensor and its Affiliates shall no longer be required to provide that Affected Service to Licensee or its Affiliates, and in such case Licensor or itsAffiliates shall, at Licensee's request, cooperate with Licensee and its Affiliates to transition any such Affected Service to another service provider or to Licensee or its Affiliates, such transition costs to be at Licensee's expense.

D. Following the closing of the Spin-Off Transaction, Licensor and Licensee will each designate, and notify each other in writing of, an individual within their respective organizations at the vice president level or above ("Contact Person") that will serve as the key contact person for the other party. Although neither party will be obligated to communicate with the other party exclusively through the other party's Contact Person, each such Contact Person will have the authority to communicate on behalf of their organization. Either party may change the individual designated as its Contact Person at any time upon notice to the other party.

E. Licensor and Licensee shall hold an annual meeting not later than April 1 of each calendar year to discuss compliance, customer satisfaction, development issues, sales and marketing and cooperation issues, and any significant systemic program or system changes proposed by Licensee. Either party may request additional meetings if desired, and the other party shall reasonably consider such request.

F. The parties acknowledge that Licensor is currently providing and may continue to provide at specific Projects management services and/or shared services with respect to those Projects under separate Licensor Management Agreements or shared services agreements, as applicable, related to those Projects.

12. REPAIRS AND MAINTENANCE

A. Licensee will (or, as applicable, will request that Property Owners' Associations) maintain the Projects in good repair and first-class condition and in conformity with Applicable Law and the Brand Standards. Licensee or its Affiliates must fund the cost of all repairs and alterations at the Projects (or, as applicable, request that Property Owners' Associations fund such costs). Any significant alterations, renewals, replacements, or additions to any Project, including those that affect the design, character, appearance or fire and life safety elements of any Project, will be carried out in accordance with the process set forth in the Design Review Addendum. However, repairs and maintenance that are conducted in the ordinary course of business shall not be subject to process set forth in the Design Review Addendum.

B. Licensee will (and, as applicable, will request that Property Owners' Associations) give reasonable consideration to implementing the following guidelines for significant renovation of Licensed Destination Club Units, corridors and Public Facilities of Projects: (i) replacement of Soft Goods at least every five (5) to six (6) years after the date such Soft Goods were installed and (ii) replacement of Case Goods at least every ten (10) to twelve (12) years after the date such Case Goods were installed; provided, however, that earlier or more frequent renovations or replacements may be necessary to maintain the quality level of the Projects in compliance with the Brand Standards and to comply with the Quality Assurance Program. In connection with replacements in the immediately preceding sentence, the replacement of all Soft Goods or all Case Goods, as the case may be, will be done at the same time for each phase of a Project rather than being done in a piecemeal fashion.

C. In connection with any replacement of Soft Goods or Case Goods for each phase of a Project, Licensor has the right to require Licensee (and, if applicable, to require Licensee to request Non-Controlled Property Owners' Associations) to upgrade the rest of the particular phase of the Project to conform to the building décor, trade dress, and FF&E required under then-current Brand Standards for Projects of similar age. Licensee will (or, as applicable, will request Property Owners' Associations to) submit its plans for such upgrading and remodeling to Licensor for its review and approval in accordance with the Design Review Addendum.

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

13.1 Licensor's and Licensee's Representations and Responsibility Regarding the Licensed Marks.

A. Licensee acknowledges that Licensor has provided Licensee with a list of the trademark registrations and applications for the Licensed Marks and the jurisdictions in which the registrations are active or applications for such Licensed Marks are pending, and Licensor hereby represents that such list is accurate, true, and correct to the best of Licensor's actual knowledge as of the Effective Date hereof.

B. Licensor acknowledges that Licensee has provided Licensor with a list of (i) all trademarks, service marks, and trade names that Licensee or its Affiliates are currently using or intend to use in connection with the Licensed Destination Club Business and Licensed Whole Ownership Residential Business (whether or not such trademarks, service marks, and trade names have been registered or registration has been applied for) and which are not included in the list of Licensed Marks that Licensor has provided to Licensee under Section 13.1.A. and the registration or application status of each such trademark, service mark, and trade name on a jurisdiction-by-jurisdiction basis and (ii) the jurisdictions in which (1) there are Existing Projects or Projects currently under development; (2) there is a Sales Facility or sales or marketing office related to the Licensed Business; (3) Licensee or its Affiliates are marketing or selling Licensed Destination Club Units or Licensed Residential Units (but in which there are no physical Sales Facilities or sales or marketing offices); (4) Licensee has a commercially reasonable basis for anticipating developing New Projects or marketing or selling Licensed Destination Club Units or Licensed Residential Units during the twelve (12) month period immediately following the Effective Date; or (5) Licensee operates or controls a website under a country-code top-level domain used to promote the Licensed Business. Licensee hereby represents that such lists are accurate, true, and correct as of the Effective Date.

C. Licensor represents with respect to the Licensed Marks that:

(1) Licensor or its Affiliates own the trademark registrations and applications for (or have the right to use and sublicense) the Licensed Marks for the Licensed Services in the jurisdictions all as identified on the list described in Section 13.1.A.

(2) Licensor has the right to grant the license contemplated hereunder, subject to the following: (a) neither Licensor nor its Affiliates own trademark registrations or applications for the Licensed Marks for some or all of the Licensed Services in every country or jurisdiction of the Territory and some countries or jurisdictions do not permit registration of service marks or do not have trademark registration systems (each, an "Unregistered Area"), and (b) Licensor or its Affiliates own trademark registrations for the Licensed Marks for the Licensed Services in countries or jurisdictions in the Territory in which it does not currently render Licensed Services and/or hotel services under the Licensed Marks, and some of these registrations may be susceptible to cancellation in whole or in part for nonuse or abandonment now or in the future ("Vulnerable Registrations"). Licensor will provide Licensee with a list of jurisdictions that may have Vulnerable Registrations within ninety (90) days following the end of each calendar year during the Term. This provision does not require Licensor to obtain opinions or advice from foreign counsel or other counsel regarding the potential vulnerability of the registrations, but rather only requires Licensor to identify jurisdictions that may have Vulnerable Registrations based on the information possessed by Licensor at the time.

(3) To the best of Licensor's actual knowledge, there are no agreements, claims, litigation, or proceedings completed, pending or threatened in writing, that might affect its right to grant the license.

D. Licensor covenants with respect to the Licensed Marks that:

(1) Subject to Section 13.1.D(2), it will take or will cause to be taken all commercially reasonable steps necessary to preserve and protect the ownership and validity of the Licensed Marks; provided, however, that Licensor will not be required to maintain any particular registration or application for the Licensed Marks that Licensor determines cannot or should not be maintained, and Licensor will not be required to take action against any third-party trademark, name or other identifier that Licensor determines cannot or should not be challenged; and

(2) (i) If Licensee has a commercially reasonable expectation that it will render Licensed Services under the Licensed Marks in any particular Unregistered Area or in a jurisdiction of which Licensor has notified Licensee may have Vulnerable Registrations under Section 13.1.C(2) ("Subject Jurisdictions"), Licensee will provide notice to Licensor of the Subject Jurisdiction(s) at least ninety (90) days prior to rendering any Licensed Services under the Licensed Marks or entering into any sublicense agreement under Sections 5.1.C., 5.2.D., or 5.8.B., in any Subject Jurisdiction. Upon receipt of such notice(s), Licensor or its Affiliate will file and prosecute new trademark application(s), or continue to use commercially reasonable efforts to prosecute any then-pending trademark applications, at Licensor's expense, subject to any prior or superior third-party rights in that country or jurisdiction and the laws and regulations of that country or jurisdiction. Licensor shall have no obligation to file applications for or otherwise obtain any trademarks that have previously been registered or applied for by third parties or with respect to which there are prior users or prior conflicting rights held by third parties. Licensor agrees to consult with Licensee upon learning of third-party rights that may conflict with Licensor's ability to obtain a registration in the Subject Jurisdiction; provided, however, that such consultation shall not, and is not intended to, modify the provision above that Licensor has no obligation to file or obtain such trademarks and that Licensor may make such determination in its sole and final discretion. Licensee shall have no claim against Licensor or its Affiliates with respect to, and neither Licensor nor its Affiliates shall be liable for, any failure by Licensor or its Affiliates to obtain registration of the Licensed Marks in any Unregistered Area or to obtain any protection of the Licensed Marks in jurisdictions with Vulnerable Registrations. Licensee shall have no right to use, sublicense, or otherwise permit or consent to the use of, any of the Licensed Marks for any purpose in any Unregistered Areas or any jurisdictions of which Licensor has notified Licensee may have Vulnerable Registrations until Licensor has notified Licensee in writing that Licensee is authorized to use the Licensed Marks in such jurisdiction(s).

(ii) Licensor acknowledges that in certain circumstances Licensee or its Affiliates may need to pursue opportunities in Subject Jurisdictions prior to the time that Licensee has been notified by Licensor that Licensee or its Affiliates are authorized to use the Licensed Marks in such Subject Jurisdictions and, notwithstanding Section 13.1.D.(2)(i), such use will not be deemed a breach of this Agreement prior to Licensor notifying Licensee that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights. Until such time that Licensor has authorized Licensee's or its Affiliate's use of the Licensed Marks in the Subject Jurisdiction, if Licensee or its Affiliate elects to proceed with the use of the Licensed Marks prior to receiving such notice, (x) such use shall be at Licensee's or its Affiliates' sole risk and Licensee shall indemnify Licensor as if such use were an unauthorized use pursuant to Section 16.1.A.(i), and (y) notwithstanding anything in Section 16.1.B. to the contrary, Licensor will have no obligation to indemnify Licensee or its Affiliates for such use. If Licensor determines, and notifies Licensee, that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights, Licensee and

its Affiliates shall cease any use that it commenced with respect to the applicable Licensed Mark under this Section 13.1.D.(2)(ii) promptly following receipt of such notice.

E. If, following the Effective Date, Licensor or its Affiliates secure a trademark registration for the applicable elements of the Licensed Business for the registered services (that are Licensed Services) under the applicable Licensed Mark in any portion of the Excluded Area, Licensee will be granted the right to use the Licensed Marks and the System pursuant to Section 1.A in the subject portion of the Excluded Area, but only with respect to the specific Licensed Services covered by the newly secured registration.

13.2 Licensee's Use of System and Licensor Intellectual Property.

A. With respect to Licensee's use of the System and Licensor Intellectual Property under this Agreement:

(1) Licensee will use the System and Licensor Intellectual Property only as and in the form and manner expressly authorized by Licensor. Unauthorized use of Licensor Intellectual Property by Licensee will constitute an infringement of Licensor's rights as well as a material default of this Agreement;

(2) Licensee will use the Licensed Marks only in substantially the same places, combination, arrangement, and manner as provided in the Brand Standards or approved by Licensor. Licensee will use the symbol "®," "™," "℠" or such symbols or words as Licensor may designate to use with or otherwise protect the Licensed Marks;

(3) (i) Licensee will identify itself as a licensee of Licensor and the owner and/or operator of the Licensed Business and each Project as allowed or required by Licensor under the Brand Standards.

(ii) Licensor hereby licenses Licensee to use "Marriott" in the name "Marriott Vacations Worldwide Corporation" as the corporate name for Licensee ("Permitted Corporate Name"), and where applicable to use "Marriott" as part of the corporate names of Licensee's Affiliates existing as of the date of the Spin-Off Transaction ("Permitted Licensee Affiliate Names") as set forth in Exhibit J.

(iii) Licensor may terminate such license to use the Permitted Corporate Name and/or, subject to (iv) below, the Permitted Licensee Affiliate Names immediately upon notice to Licensee, in which event, Licensee's and its Affiliates' use of such names shall be immediately discontinued and such corporate names shall be promptly changed to names that do not use the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names if (i) at any time the aggregate number of Licensed Destination Club Units is less than one-half (1/2) of the total number of Destination Club Units owned or operated by Licensee, or (ii) Licensee acquires, or merges or is combined with, the Destination Club Business of Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates) or Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) or any Hilton Brand or Starwood Brand, and continues to use any Hilton Brand or Starwood Brand on or in connection with its Destination Club Business, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date. Additionally, if any Affiliate of Licensee that is using a Permitted Licensee Affiliate Name affiliates with a Lodging Competitor Brand, Licensor may terminate the right to use the Permitted Licensee Affiliate Name as to that Affiliate, in which event, the use of the Permitted Licensee Affiliate Name of such Affiliate shall be immediately discontinued and such corporate name shall be promptly changed to a name that does not use the word "Marriott" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(iv) In the event that it is impossible for any Permitted Licensee Affiliate Name to be changed to a corporate name that does not use of the word “Marriott” pursuant to (iii) above, the license to use the Permitted Licensee Affiliate Name will remain in place for so long during the Term as it remains impossible to change the name; provided, however, the parties will discuss and agree on a solution whereby there are no further consumer-facing uses of the Permitted Licensee Affiliate Name, which may include the adoption of a “doing business as” (DBA) name that does not use the word “Marriott” or any of Licensor’s or its Affiliates’ other trademarks or trade names or any similar trademarks or trade names.

(v) Licensee shall not, at any time, include any brand name in its corporate name (other than the name “Marriott” in the Permitted Corporate Name and Permitted Licensee Affiliate Names), other than a new brand name developed by Licensee that does not contain any of the Licensor Intellectual Property or any similar marks or names, provided, that Licensee and its Affiliates may at any time use the words “Vacation”, “Vacations”, “Worldwide”, and/or “Corporation” in an entity name that does not contain any of the Licensor Intellectual Property or any similar marks or names.

(vi) Licensee acknowledges and agrees that the grant of rights to use the Permitted Corporate Name and the Permitted Licensee Affiliate Names hereunder shall not restrict or limit in any way Licensor’s or its Affiliates’ ability to use the words “Marriott”, “Vacations”, “Vacation”, or “Worldwide” in any form, manner, or combination or in any context or respect at any time, provided that Licensor and its Affiliates will not use all three of the words “Marriott”, “Vacations”, and “Worldwide” together in the name of a single entity for consumer-facing purposes at any time during the Term that Licensee is permitted to use the Permitted Corporate Name and Permitted Licensee Affiliate Names hereunder, but Licensor and its Affiliates may use such words in any other combination or manner without any restriction whatsoever.

(vii) Licensor acknowledges that as of the Effective Date certain Non-Controlled Property Owners’ Associations have names that contain the word “Marriott” (“Existing Association Names”). Except for the Existing Association Names, Licensee will not permit any other Property Owners’ Associations to use the word “Marriott” or any other Licensor Intellectual Property or any similar marks or names in their names. Licensee will use commercially reasonable efforts to cause each Non-Controlled Property Owners’ Association with an Existing Association Name to change its name to a name that does not contain the word “Marriott” or any of Licensor’s or its Affiliates’ other trademarks or trade names or any similar trademarks or trade names.

(4) Notwithstanding Section 13.2.A.(3) or any “fair use” rights that Licensee or its Affiliates may have with respect to the Permitted Corporate Name or the Permitted Licensee Affiliate Names, Licensee and its Affiliates are expressly prohibited from using, and Licensee hereby agrees not to use and agrees to cause its Affiliates not to use, the Permitted Corporate Name or the Permitted Licensee Affiliate Names (or any variation thereof) as part of, or in any way associated with, the name of any property that is not part of the Licensed Business without Licensor’s prior written consent in its sole discretion. For illustrative purposes only, Licensee and its Affiliates would be prohibited from using the following name: “Napa Valley Destination Club operated by Marriott Vacations Worldwide Corporation”. However, if a jurisdiction recognizes nominative fair use rights and a Member makes nominative fair use of a Licensed Mark in connection with a sale of its interests in a Project in such jurisdiction, then this section is not intended to limit or modify such fair use rights. If Licensee or its Affiliates use the Permitted Corporate Name, the Permitted Licensee Affiliate Names, or any variation thereof in violation of this Section 13.2.A(4), then, in addition to any damages that Licensor

or its Affiliates may be entitled to hereunder or under Applicable Law, Licensor will have the right to require Licensee or its Affiliates, as applicable, to pay Royalties for each property with respect to which Licensee or its Affiliates are using the Permitted Corporate Name, the Permitted Licensee Affiliate Names, or a variation thereof, in violation of this Section 13.2.A(4).

(5) Licensee does not have any right to and will not Transfer, sublicense, or allow any Person to use any of the Licensor Intellectual Property, except as expressly permitted in this Agreement;

(6) Licensee will not use the Licensor Intellectual Property to incur any obligation or indebtedness on behalf of Licensor or any of its Affiliates;

(7) Licensee will not apply for trademark or service mark registration of any Proprietary Mark, any variation thereof, or any mark determined by Licensor to be similar to, or that includes, any Proprietary Mark in the United States or any other country or jurisdiction. If Licensee requests that Licensor file an application for a new trademark that includes any Proprietary Mark which is related to a new program or initiative under the Licensed Business and Licensor approves such request (such approval to be granted if the request is commercially reasonable), Licensor will file such application at Licensor's expense. If Licensee wishes to modify an existing Licensed Mark and requests that Licensor file an application for such modified Licensed Mark, and Licensor approves such request to modify, Licensor will file such application, but Licensee must reimburse Licensor for all costs and expenses related to such application (including without limitation the costs for conducting a trademark search, filing and prosecuting an application through to registration, maintenance of any resulting registrations (unless such resulting registration replaces an existing registration that is not maintained), and any related appeals, proceedings, disputes, oppositions and litigation).

(8) If Licensee or any of its Affiliates registers or has registered or directly or indirectly controls any domain name that is determined by Licensor to be similar to the domain names owned by Licensor or its Affiliates as described in Section 13.2.B(1) below or that incorporate any of the Proprietary Marks (or any variation thereof), Licensee or its Affiliates, as applicable, must unconditionally assign such domain names to Licensor or its Affiliate;

(9) Licensee will obtain Licensor's approval of, and will comply with Licensor's instructions in filing and maintaining, any required business, trade, fictitious, assumed, or similar name registrations containing the Licensed Marks. Licensee will also execute any documents and take such other action deemed necessary by Licensor or its counsel to protect and enforce the Proprietary Marks or maintain their validity and enforceability; and

(10) If litigation or other demand or action involving the Licensor Intellectual Property is instituted or threatened against Licensee or any notice of such infringement is received by Licensee, or if Licensee becomes aware of any infringement or other violation of the Licensor Intellectual Property by Licensee or a third party, Licensee will promptly notify Licensor in writing and will cooperate fully with Licensor and comply with Licensor's instructions in connection with Licensor's defense, prosecution or settlement of such litigation, notice, infringement or violation. Licensor shall have sole responsibility for enforcing the Licensor Intellectual Property at its sole discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. If any such settlement amount or damage award received by Licensor is solely based on damage to or impact on the exclusively licensed aspects of the Licensed Business, then after applying such amount or award toward Licensor's attorneys' fees and other costs related to the matter, Licensor will share any remaining portion of the settlement amount or damage award with Licensee in a equitable manner as determined by Licensor based on the relative interests of the parties.

B. Licensee agrees that:

(1) Licensor and/or its Affiliates are the owners or licensees of all right, title, and interest in and to the System (other than Electronic Systems provided by or licensed by third parties), the goodwill associated with and symbolized by the Proprietary Marks, and the domain names www.marriottvacationclub.com, www.marriottvacationsworldwide, www.grandresidenceclub.com, and www.marriott.com, and other domain names owned by Licensor or its Affiliates;

(2) the Proprietary Marks are valid and serve to identify the System and those who hold rights to operate under the System;

(3) the Proprietary Marks are subject to replacement, addition, deletion, and other modification by Licensor (or the Affiliate that owns the Proprietary Marks) in its discretion. In such event,

(a) Licensor may require Licensee to discontinue or modify Licensee's use of any of the Licensed Marks or to use one or more additional or substitute or modified marks; provided, however, that Licensor shall not amend, modify, delete, or change the word "Marriott" in any of the Licensed Marks described in clauses (i) through (iv) of the definition of "Licensed Marks" as used in connection with the Licensed Business (other than the appearance, including the color, font, stylization, script, or format of the word "Marriott" used as part of such Licensed Marks, provided that Licensor will not change the size or location of the word "Marriott" in relation to the other components of the marks described in (i) through (iv) of the definition of Licensed Marks) without Licensee's prior written consent in its sole discretion. Notwithstanding the foregoing, Licensee will not be required to discontinue using or change any Licensed Mark that is used solely in connection with the Licensed Business and is not the same as or similar to any mark owned by Licensor or its Affiliates for use in connection with Licensor Lodging Facilities or other businesses and activities of Licensor and its Affiliates; and

(b) Licensor may require that Licensee bear the costs related to such replacement, addition, deletion, or other modification in respect of the Licensed Business; provided, however, that Licensor shall treat Licensee in the same way that Licensor treats franchisees or licensees of Licensor Lodging Facilities with respect to such costs, or the economic equivalent thereof.

(4) During the Term and thereafter, Licensee will not directly or indirectly (i) attack or otherwise challenge the ownership, title or rights of Licensor or its Affiliates in and to any part of the System; (ii) contest the validity of any part of the System, or the right of Licensor to grant to Licensee the use of any part of the System (other than Electronic Systems provided by or licensed by third parties) in accordance with this Agreement; (iii) take any action or refrain from taking any action that could impair, jeopardize, violate, or infringe any part of the System; (iv) claim adversely to Licensor or its Affiliates any right, title, or interest in and to the System; (v) assert any interest in all or any part of the System or the Licensor Intellectual Property by virtue of a constructive trust; (vi) misuse or harm or bring into dispute the System; or (vii) make any demand, or serve any notice orally or in writing, on a third party or institute any legal action against a third party, or negotiate, litigate, compromise or settle any controversy with a third party in relation to any claim, suit or demand, involving the Licensor Intellectual Property without first obtaining Licensor's consent, which consent may be granted or withheld in Licensor's discretion;

(5) Licensee has no Ownership Interest in the System or the Licensor Intellectual Property (including any modifications, derivatives or additions thereto proposed by or on behalf of Licensee or its Affiliates (for purposes hereof, collectively, "modifications")), and Licensee's

use of the System and the Licensor Intellectual Property in connection with the operation of the Licensed Business and the Projects will not give Licensee any Ownership Interest therein. Licensee hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications to the Licensor Intellectual Property and other aspects of the System proposed or created by or on behalf of Licensee or its Affiliates. Licensee waives (and will cause each of its employees or independent contractors who contributed to such modifications to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Licensee (or its employees or independent contractors) may now or hereafter have in such modifications, and Licensee disclaims any interest in such modifications by virtue of a constructive trust. Licensee agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may be deemed necessary by Licensor to perfect or protect the title in the modifications herein conveyed, or intended to be conveyed now or in the future; and

(6) all goodwill arising from Licensee's use of the System (other than Electronic Systems provided by or licensed by third parties) and any other aspect of the System will inure solely and exclusively to Licensor's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Licensee's use of any aspect of the System.

C. The provisions of this Section 13.2 will survive the expiration or termination of this Agreement.

13.3 Licensee's Use of Other Marks.

A. Licensee will not use in any manner any of the System in connection with any Other Mark(s) (except the Licensee Marks), without Licensor's prior written approval in Licensor's sole discretion.

B. Licensee will not use any name or Other Mark (including the Licensee Marks) in connection with the Licensed Business or the Projects that may infringe upon, or tend to be confused with, dilute or otherwise violate a third party's trade name, trademark, or other rights in intellectual property.

C. Except as otherwise expressly permitted by Section 9.3 and 9.5, Licensee will not use or permit the use of any Other Mark (except for the Licensee Marks) in connection with the Licensed Business or the Projects or in any Marketing Content, advertising of, for, relating to or involving the Licensed Business or the Projects or its operation without Licensor's prior approval, which approval may be granted or withheld in Licensor's sole discretion; provided, however, nothing in this Section 13.3.C is intended to prohibit Licensee or its Affiliates from utilizing Other Marks in connection with the operation of country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops in the ordinary course of business at Projects.

13.4 Licensee Website.

A. Licensee has established and intends to continue the use of an Internet website to advertise and promote the Licensed Business and the Projects ("Licensee's Website"). Except as permitted with respect to Licensee's Website as described below, Licensee will not display the Licensed Marks or associate the System with (through a link or otherwise) any website, electronic Marketing Content, domain name, address, designation, or listing on the Internet or other communication system, except in compliance with the Brand Standards. Licensor will not object to foregoing items that Licensee

has in place as of the Effective Date as not being in compliance with Brand Standards, other than misuses of the Licensed Marks; provided, however, that, following the Effective Date, any changes, additions, expansions, or other modifications of the foregoing and any new uses with respect to the foregoing must be in accordance with the Brand Standards. Licensor will permit Licensee to operate and maintain Licensee's Website, provided that (a) the form, content and appearance of the Licensed Marks that appear on Licensee's Website, and any modifications thereto, comply with the Brand Style and Communications Guide or are otherwise approved in writing by Licensor (such approval not to be unreasonably withheld, conditioned or delayed) before being posted on the Internet; and (b) Licensee's Website complies with all Data Protection Laws and the data protection laws of other jurisdictions that apply to Licensee's Website.

B. Licensee agrees that Licensor will be the registrant (i.e., registered owner) of all domain names that contain, reference, or are comprised of any of the Licensed Marks now and in the future (collectively, "Licensed Domains"), and that all Licensed Domains will be registered and maintained with Licensor's domain name registrar (the "Registrar"), which, as of the Effective Date, is CSC. Licensor will have a "parent account" at the Registrar, and Licensee will have a "child account" at the Registrar under Licensor's parent account for purposes of registering and managing all Licensed Domains that Licensee is permitted to use under this Agreement. Licensee will serve as and be identified as the administrative and technical contacts for the Licensed Domains, and Licensee will be solely responsible for the use and maintenance of the Licensed Domains (including without limitation controlling the child account and the user name and password for that account, paying all registration and renewal fees, maintaining and updating the servers for the Licensed Domains and any corresponding websites, and maintaining accurate contact information on the WHOIS records for the administrative and technical contacts). However, Licensor has the option, but is not required, to pay registration and renewal fees and take any actions to prevent the cancellation or expiration of any of the Licensed Domains. Licensee will not directly or indirectly: (1) delete or cancel any of the Licensed Domains without prior notice to Licensor and affording Licensor an opportunity to assume control or management of such Licensed Domains, (2) transfer control or management of any of the Licensed Domains to a new registrar, (3) transfer ownership of any of the Licensed Domains to an owner other than Licensor, (4) except as consented to by Licensor, encumber any of the Licensed Domains in any way (collectively, the "Changes"), or (5) permit use of the Licensed Domains, directly or indirectly, in any manner inconsistent with the terms of this Agreement. Licensee's child account with the Registrar will not permit Licensee to make any Changes. Upon expiration or termination of the Agreement, Licensor will subsume Licensee's child account into its parent account and will take over the disposition and management of all Licensed Domains in that account as Licensor may determine in its sole discretion, and Licensee will provide any cooperation necessary to carry this out.

13.5 Credit and Debit Cards.

A. Except to the extent used under Section 13.5.B(ii)(a), Licensee and its Affiliates shall not use any of the Licensor Intellectual Property, including the Licensed Marks or the Licensed Business Customer Information, to brand, co-brand, sponsor, market, or promote or otherwise affiliate with a credit, charge or debit card other than through an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed, or promoted credit, charge or debit card.'

B. Licensee shall not market or promote the acquisition of a credit, charge or debit card in connection with the Licensed Business, including using any customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) or Branded Elements in connection with the marketing or promotion of the acquisition of a credit, charge or debit card, other than (i) in an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed or promoted credit, charge or debit card, or (ii) in an

arrangement that complies with Section 13.5.A above, and each of the following, subject to Section 13.5.C: (a) Licensee and its Affiliates may not market or promote such card except to existing Members of Licensed Destination Club Products, (b) Licensee and its Affiliates may not market or promote such card at Licensed Destination Club Projects or Licensed Residential Projects, (c) such card may offer benefits to cardholders such as discounts on Licensed Destination Club Products, or stays, products or services at Licensed Destination Club Projects, but may not offer points or other benefits that consist of or are exchangeable into points under a Brand Loyalty Program, or usage rights for Licensed Destination Club Units that may be used or converted into stays or other benefits at Licensor Lodging Facilities, and (d) such card may not be branded or sponsored by any Lodging Competitor Brand.

C. Licensee shall only be obligated to participate in an arrangement with Licensor in connection with a Marriott branded, co-branded, sponsored, marketed or promoted credit, charge or debit card provided that Licensor is complying with its obligations relating to such arrangement in the Services Manual. Unless Licensee elects to no longer participate in such arrangement, so long as Licensee is participating in such an arrangement and Licensor is complying with its obligations relating to such arrangement in the Services Manual, Licensee shall not have the right to enter into an arrangement described in clause (ii) of Section 13.5.B.

D. Nothing in this Section 13.5 shall restrict Licensee from entering into (i) credit, charge or debit card acceptance, merchant, servicing, and similar arrangements in the ordinary course of business with credit, charge and debit card companies, or (ii) subject to Sections 9.3 and 9.5, co-marketing, promotional and similar arrangements with credit, charge and debit card companies designed to promote the sale and general awareness of Licensed Destination Club Products and Licensed Residential Units to the card company's customer base or (iii) subject to Sections 9.3 and 9.5, arrangements with credit, charge and debit card companies under which the card company's customers can use credit card points for stays and services at Projects. For the avoidance of doubt, with respect to clauses (ii) and (iii) in the previous sentence, Licensee is not permitted to use any Licensed Business Customer Information; provided, that in the case of clause (ii), Licensee may use the list of Members of Licensed Destination Club Products for the sole purpose of expunging such Members from the card company's recipient list for such promotion.

13.6 Use of Licensee Marks.

A. Licensee represents that: (i) Licensee owns the registrations and/or the applications to register the Licensee Marks; and (ii) to the best of its actual knowledge: (x) Licensee has the right to consent to Licensor's use of the Licensee Marks and (y) there are no claims, litigation or proceedings pending or threatened by any Person that would materially affect Licensor's use of the Licensee Marks as contemplated by the terms of this Agreement. Licensee hereby consents to Licensor's and its Affiliate's use of the Licensee Marks in connection the Licensed Business and the Projects (including in printed marketing and promotional materials, and on Licensor's website) and agrees that such consent shall remain in full force and effect until thirty (30) days following the termination of this Agreement for any reason. Licensor consents to Licensee's use of the Licensee Marks in connection with the Licensed Marks on the terms and conditions set forth in this Section 13.6.

B. Licensee will use the Licensee Marks together with the Licensed Marks only as authorized under this Agreement in connection with the Licensed Business and the Projects and only in accordance with the Brand Style and Communications Guide or as otherwise authorized in advance by Licensor in writing. Licensee will strictly conform all uses of the Licensee Marks together with the Licensed Marks to the content, layout and graphic design of sample materials in accordance with the Brand Style and Communications Guide or as otherwise approved in advance by Licensor, and Licensee

shall restrict such usage to types of activity, medium or signage in accordance with the Brand Style and Communications Guide or as otherwise specifically approved in advance by Licensor.

C. Licensee will not file, seek or make any registration containing any of the Licensee Marks together with any Licensed Marks. If such filing is required by Applicable Law, such registration shall be subject to the prior written approval of Licensor and shall be made solely by Licensor. Licensee shall withdraw, cancel or assign to Licensor, at Licensor's option, any unauthorized registration upon the request of Licensor. At Licensee's request upon the expiration or termination of this Agreement, Licensor shall withdraw or cancel any registration containing any Licensee Marks together with Licensed Marks.

D. Upon termination of this Agreement for any reason, Licensee will cease using the Licensed Marks as specified in Section 19 of this Agreement, including all use of the Licensed Marks together with the Licensee Marks as authorized pursuant to this Section 13.6. Upon termination of this Agreement for any reason, Licensor will cease using the Licensee Marks as specified in Section 19 of this Agreement, including all use of the Licensee Marks together with the Licensed Marks as authorized pursuant to this Section 13.6.

E. Licensee acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensed Marks as a result of the use of the Licensee Marks together with the Licensed Marks, (b) all goodwill associated with the Licensed Marks generated by their use together with the Licensee Marks shall inure solely to Licensor, and (c) it shall not assert that the Licensed Marks and the Licensee Marks when used together comprise a composite or unitary mark. Licensor acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensee Marks as a result of the use of the Licensed Marks together with the Licensee Marks, (b) all goodwill associated with the Licensee Marks generated by their use together with the Licensed Marks shall inure solely to Licensee, and (c) except as necessary in connection with a filing by Licensor under Section 13.6.C, it shall not assert that the Licensee Marks and the Licensed Marks when used together comprise a composite or unitary mark.

F. Licensee hereby acknowledges and agrees that if at any time the use of the Licensee Marks in connection with the Licensed Business or any Project is challenged by a third party, Licensor may require that such use immediately cease or that the affected Licensee Marks be changed in a manner that resolves the challenge raised by the third party. Notwithstanding the potential requirement above by Licensor that Licensee cease using or use a changed Licensed Mark upon a third-party challenge to the Licensed Mark, if Licensee believes such challenge is without merit, Licensee may request that Licensor contest such challenge and Licensor shall determine how to proceed in Licensor's discretion. Except as otherwise set forth in this Agreement, Licensee shall have sole responsibility for enforcing the Licensee Marks in its discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. In the course of enforcing or defending the Licensee Marks, Licensee shall not make any statements, take any positions or actions, or enter into any agreements that may restrict, narrow, limit or affect Licensor's rights to the Licensed Marks. To the extent any Licensee Mark is used in connection with any of the Licensed Marks, enforcement and defense of the Licensed Marks is governed by Section 13.2.A(10).

13.7 Assignment of Certain Intellectual Property to Licensee.

A. Effective as of the date of the Spin-Off Transaction, Licensor and/or its Affiliates will assign, or have assigned, to Licensee certain intellectual property pursuant to an assignment agreement in the form agreed to by the parties.

B. Upon the Deflagging of all Projects using a particular Licensed Project Name, Licensor and/or its Affiliates will assign, or have assigned, to Licensee the Licensed Project Name and the related Licensed Project Domains applicable to such Project(s), and upon the termination or expiration of this Agreement, Licensor and/or its Affiliates will assign, or have assigned, to Licensee all of the then-existing Licensed Project Names and the related Licensed Project Domains. Such assignments shall be made pursuant to an assignment agreement in the form agreed to by the parties at the time of such assignment.

C. Upon termination or expiration of this Agreement, Licensor and/or its Affiliates will assign to Licensee any rights that Licensor or its Affiliates have in the name "Grand Residences" and related domain names that do not also contain or reference any Licensed Mark (other than "Grand Residences") pursuant to an assignment agreement in the form agreed to by the parties at the time of such assignment.

14. CONFIDENTIAL INFORMATION; DATA PROTECTION LAWS

14.1 Confidential Information.

A. Licensee will not, during the Term or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Agreement. Licensee may divulge such Licensor Confidential Information only to such of Licensee's employees or agents as require access to it in order to operate the Licensed Business and the Projects and to comply with Licensee's obligations under the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other Persons, including, without limitation, any acquirer or potential acquirer of Licensee, are "unauthorized" for purposes of this Agreement. Licensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its Affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Section 14.1.A by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor the theft or loss of all or any part of the Licensor Confidential Information.

B. Licensor will not, during the Term or thereafter, without Licensee's prior consent, which consent may be granted or withheld in Licensee's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any Licensee Confidential Information or use the Licensee Confidential Information in any manner not expressly authorized by this Agreement. Licensor may divulge such Licensee Confidential Information only to such of Licensor's employees or agents as require access to it in order to comply with its obligations with respect to the operation of the Projects and the Licensed Business and with the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other Persons are "unauthorized" for purposes of this Agreement. Licensor agrees that the Licensee Confidential Information has commercial value and that Licensee and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensee Confidential Information is proprietary and a trade secret of Licensee and its Affiliates. Licensor will be liable to Licensee for any breaches of the confidentiality obligations in this Section 14.1.B by its employees and agents. Licensor will maintain the Licensee Confidential Information in a safe and secure location and will immediately report to Licensee the theft or loss of all or any part of the Licensee Confidential Information.

14.2 Data Protection Laws; Data Security.

A. With respect to the Licensed Business, each party will comply with all applicable Data Protection Laws and the Brand Standards related thereto and do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep the other party and its Affiliates in compliance with any of the Data Protection Laws. Each party shall reimburse the other party and its Affiliates for any and all costs incurred in connection with the breach by such party of such Data Protection Laws or the Brand Standards.

B. Without limiting the foregoing, each party shall implement with respect to the Licensed Business reasonable, current security measures to prevent unauthorized access to data relating to the Licensed Business (including the Licensed Business Customer Information) under such party's control. Such measures shall in no event be less stringent than (i) those used by such party to safeguard the Licensee Confidential Information and the Licensee Intellectual Property (in the case of Licensee) or the Licensor Confidential Information and the Licensor Intellectual Property (in the case of Licensor) or (ii) industry standard security measures used by companies of a similar size. Such measures shall include, where appropriate, use of updated firewalls, virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches, virus definitions and other updates.

C. Each party shall secure all Personally Identifiable Information from unauthorized access, use, disclosure and loss using commercially reasonable security practices and technologies. If either party becomes aware of a suspected or actual breach of security involving Personally Identifiable Information, such party will notify the other party promptly after becoming aware of such occurrence. For purposes of such notification, Licensee shall notify Licensor's Information Protection and Privacy Department at privacy@marriott.com, and Licensor shall notify Licensee's Information Protection and Privacy Department at mvciprivacy@vacationclub.com, in either case or such other email addresses as a party may notify in writing to the other party from time to time.

15. ACCOUNTING AND REPORTS

15.1 Books, Records, and Accounts.

Licensee at its expense will maintain and preserve for at least the period of time required by Applicable Law, complete and accurate books, records, and accounts in accordance with United States generally accepted accounting principles, consistently applied, and Applicable Law, for the Licensed Business, including, without limitation, each sale of an interest in Destination Club Units and Residential Units and other reasonable information that is necessary for Licensor to determine whether Licensee is in compliance with this Agreement. Licensee's obligation to preserve such books, records and accounts will survive the expiration or termination of this Agreement.

15.2 Reports.

A. Licensee will, at its expense, submit to Licensor within fifteen (15) days after the close of each Accounting Period during the Term a statement, in the form attached hereto as Exhibit D, containing specified sales information for such Accounting Period with respect to the Licensed Business, including aggregate initial sales relating to Gross Sales Prices, aggregate re-sales relating to Gross Sales Prices, aggregate initial sales relating to Gross Commissions, and aggregate re-sales relating to Gross

Commissions and the Project count (showing the number of open and operating Projects and the corresponding number of Licensed Destination Club Units and Licensed Residential Units built and that have a certificate of occupancy) as of the end of each such Accounting Period.

B. Licensee will, at its expense, submit to Licensor within ninety (90) days following the end of each calendar year during the Term information regarding the length of the terms, renewal rights, and expiration dates of Property Owners' Association management agreements.

15.3 Licensor Examination and Audit of Licensee's Records.

A. Licensor and its authorized representatives have the right, at any time (but not more than once per calendar year, unless an audit reveals an understatement in such year), upon reasonable notice to Licensee, to: (i) examine all books, records, and accounts of Licensee for the five (5) years preceding such examination that relate to support for calculation of the Royalty Fees and other amounts payable under this Agreement where the calculation of such amount depends on information provided by Licensee and copy such information that is reasonably necessary for, and relevant to, such audit; and (ii) have an independent audit made of any of such books, records, and accounts. Licensee will provide such other assistance as may be reasonably requested related to the audit. If an examination or audit reveals that Licensee has made underpayments to Licensor or any of its Affiliates, Licensee will promptly pay to Licensor or such Affiliate upon demand the amount underpaid plus interest on the underpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the date such amount was due until paid. If Licensee in good faith disputes that there was an underpayment, the parties will review the books and records in a cooperative manner in an attempt to resolve any discrepancy.

B. If an examination or audit discloses an understatement of payments due to Licensor of five percent (5%) or more for the period being examined or audited, or if the examination or audit reveals that the accounting procedures are insufficient to determine the accuracy of the calculation of any payments due, Licensee will reimburse Licensor for all reasonable costs and expenses connected with the examination or audit (including reasonable accounting and lawyers' fees). If the examination or audit establishes a pattern of underreporting, Licensor may require that the financial reports due under Section 15.2 be audited by an internationally recognized independent accounting firm consented to by Licensor. The foregoing remedies are in addition to any other remedies that Licensor may have under this Agreement.

C. If an examination or audit reveals that Licensee has made overpayments to Licensor or any of its Affiliates, Licensor or such Affiliate will promptly pay to Licensee upon demand the amount overpaid. If Licensor does not pay Licensee the overpaid amount within thirty (30) days after receiving documentation evidencing such overpayment reasonably requested by Licensor, Licensor will also pay interest on the overpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the thirtieth (30th) day following Licensor's receipt of such documentation until paid.

D. To the extent Licensee is required to have access to information that is in the sole possession of Licensor or its Affiliates for purposes of Licensee's compliance obligations with respect to the Sarbanes-Oxley Act of 2002 (or any successor statute) or for purposes of Licensee's reporting obligations as a publicly-traded company, Licensor will cooperate in providing access to the necessary information that is within Licensor's or its Affiliates' control and that Licensor and its Affiliate is permitted to provide under Applicable Law.

16. INDEMNIFICATION; CONTRIBUTION IN LIEU OF INDEMNIFICATION; AND INSURANCE

16.1 Indemnification.

A. Licensee will, and hereby does, indemnify and defend Licensor and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensor, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensee or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) the use of any Licensor Intellectual Property in violation of this Agreement;

(ii) any violation of Applicable Law with respect to the Licensed Business;

(iii) a claim that Licensor or its Affiliates are developers, declarants, sponsors, or brokers of Licensed Destination Club Units or Licensed Residential Units;

(iv) any design, renovation, upgrading, alteration, remodeling, repair or construction defect claims (in no event shall this provision impact Licensee's rights and interest under any insurance policies as provided under other Transaction Agreements) or claims related to services provided to Members;

(v) claims related to services provided to Members, any claim by any Member relating to the interests in Destination Club Units or Residential Units, any claim by any Member relating to any untrue statement or alleged untrue statement of a material fact contained in the offering materials, or any omission or alleged omission to state a material fact required to be stated in such offering materials or necessary to make the statements made therein not misleading;

(vi) the offer or sale of interests in Licensed Destination Club Units or Licensed Residential Units, including any disputes or lawsuits arising therefrom;

(vii) the development, sales, and marketing activities occurring on or after the date of the Spin-Off Transaction and the operation or servicing of the Projects or of any other business conducted by Licensee or its Affiliates on, related to, or in connection with the Projects or the Licensed Business;

(viii) the unauthorized use of the Licensed Marks in connection with the offer and sale of interests in Licensed Destination Club Units or Licensed Residential Units (a) in any Unregistered Area and (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations;

(ix) claims made by Members or other customers of the Licensed Business as a result of the termination (other than wrongful termination by Licensor) or expiration of this Agreement or any rights granted hereunder in accordance herewith;

(x) infringement, dilution or other claims by third parties in relation to the Licensee Intellectual Property or for Licensor's use of Licensee Intellectual Property that is licensed, or the use of which is consented to, hereunder by Licensee in accordance with the terms of this Agreement;

(xi) failure to pay Taxes payable by, levied or assessed against Licensee, its Affiliates, or any Property Owners' Association by Tax authority relating to the Licensed Business, the Projects, this Agreement, any other Transaction Agreements or in connection with operating the Projects or the Licensed Business;

(xii) Logoed Merchandise produced by or on behalf of Licensee, and its Affiliates bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights or other rights;

(xiii) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals;

(xiv) the infringement of a third party's intellectual property rights in connection with the Licensed Business, other than with respect to use by Licensee and its Affiliates of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement;

(xv) any claim arising from the operation, ownership or use of the Licensed Business, the Projects or of any other business conducted on, related to, or in connection with the Projects; and

(xvi) failure to operate the Projects in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating the operation of the Projects as Destination Club Products or as Residential Products.

B. Licensor will, and hereby does, indemnify and defend Licensee and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensee, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensor or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) infringement claims by third parties for Licensee's use of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement, but excluding any Licensor Intellectual Property that is licensed from, or otherwise provided by, a third party (other than an Affiliate of Licensor), provided that the use of the Licensor Intellectual Property is in accordance with the terms and conditions of this Agreement;

(ii) if Licensee and its Affiliates are in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating to the operation of the Projects as Destination Club Projects or as Residential Projects, claims by owners, developers, operators, lessees, licensees, or franchisees of Licensor Lodging Facilities that the conduct of the Licensed Business violates Agreed Territorial Protections;

(iii) any violation of Applicable Law with respect to the Licensed Business;

(iv) to the extent that Licensor or its Affiliates provide services to customers of the Licensed Business, claims by the customers concerning the services provided by Licensor or its Affiliates to such customers of the Licensed Business;

(v) to the extent that Licensor or its Affiliates operate or provide services to the Projects or operate other businesses at, or in connection with the Projects or the Licensed Business, claims by customers arising directly out of or based solely on the operation of Projects or services provided by Licensor or its Affiliates; and

(vi) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals.

Notwithstanding the foregoing, Licensor shall have no liability for any claims arising out of or relating to:

(x) Licensee's or its Affiliates' unauthorized use of the Licensed Marks: (a) in any Unregistered Area or the Excluded Area; (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations; or (c) in any jurisdiction where the Licensed Marks have been previously registered or applied for by third parties or with respect to which there are prior users or prior conflicting rights held by third parties;

(y) any uses of the Licensed Marks by Licensee or its Affiliates that are not covered by the trademark registrations for the Licensed Marks held by Licensor or its Affiliates; or

(z) Logoed Merchandise bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights.

C. If either party receives notice of any action, suit, proceeding, claim, demand, inquiry, or investigation for which it is entitled to an indemnity under Sections 16.1.A. or B., the party receiving notice shall promptly notify the other party.

D. Unless the parties otherwise agree, within 30 days after an indemnifying party receives notice of a third-party claim in accordance with Section 16.1.C, the indemnifying party will defend the third-party claim (and, unless the indemnifying party has specified any reservations or exceptions, seek to settle or compromise), at its expense and with its counsel. The indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the third-party claim. However, the indemnifying party will pay the fees and expenses of the indemnitee's counsel (a) for any period during which the indemnifying party has not assumed the defense of the third-party claim (other than for any period in which the indemnitee did not notify the indemnitee of the third-party claim as required by Section 16.1.C.) or (b) if the engagement of counsel is as a result of a conflict of interest, as the indemnitee reasonably determines in good faith. Notwithstanding the above, if Licensor determines that the matter at issue may have a material adverse effect on Licensor, the Licensed Marks, or Licensor's Lodging Business, then Licensor, through counsel of its choice, may control the defense or response to any such action, and such undertaking by Licensor will not, in any manner or form, diminish Licensor's obligations to Licensee hereunder. If the matter at issue principally relates to Licensee's interest in the Licensed Business, Licensor shall allow Licensee through counsel of its choice to control the defense or response to any such action.

E. Under no circumstances will any indemnitee be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim for indemnification under this Agreement, and the failure to pursue such recovery or mitigate a loss will in no way reduce the amounts recoverable from the indemnifying party by the indemnitee.

F. The remedies provided in this Section 16.1 are cumulative and do not preclude assertion by any indemnitee of any other rights or the seeking of any and all other remedies against any indemnifying party.

G. (1) Notwithstanding anything to the contrary in Sections 16.1.A or B, if the third party claim at issue results directly and solely from a breach by the party seeking indemnification of such party's obligations under this Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, then the party seeking indemnification will not be entitled to indemnification, to the extent such claim or some or all of claimants' damages results directly and solely from such breach. For the avoidance of doubt, (a) a failure by Licensor to (i) inspect or note in any inspection a deficiency or non-compliance with Brand Standards by Licensee or its Affiliate or (ii) enforce compliance with any Brand Standard by Licensee or its Affiliate or (b) any approval by Licensor of conduct or actions of Licensee or its Affiliate, shall not be deemed a breach that would limit or otherwise affect Licensee's obligation to indemnify Licensor.

(2) Except as may expressly be set forth in this Agreement, none of Licensor or its Affiliates or Licensee or its Affiliates will in any event have any liability to the other (including the obligation to indemnify the other party under this Section 16.1), or to any other Licensor indemnitee or Licensee indemnitee, as applicable, under this Agreement (a) for claims where either party or their Affiliates or their respective officers, directors, employees or agents are found to be solely responsible by a final non-appealable judicial decision for such damages or losses based upon such person's or entity's willful misconduct or gross negligence or (b) for any indirect, punitive or consequential damages (other than to the extent the indemnitee is liable for such damages under a court order issued in connection with a claim).

H. The parties' obligations under this Section 16.1 will survive the termination or expiration of this Agreement.

16.2 Insurance Requirements of Licensee.

A. During the Term, Licensee, at its (or the Property Owners' Associations') expense, will procure and maintain (or cause to be procured and maintained) such insurance as may be required by the terms of any condominium, association, and trust agreements on each Project or Applicable Law, and no less than the following:

(1) Property Insurance

(a) Property insurance coverage on each Project as required under the applicable Project condominium, association, and trust agreements, except to the extent procured by Licensor under any Licensor Management Agreement. In the event the applicable Project does not have condominium, association, or trust agreements or insurance requirements set forth in such agreements, the Project building(s) and contents shall be insured against loss or damage by fire, lightning, and all other risks covered by the usual all-risk policy form, all in an amount not less than the full replacement cost (as such term is customarily used in the insurance industry) and earthquake, windstorm, flood and terrorism in reasonable amounts.

(2) Workers' compensation insurance in statutory amounts on all employees of each Project and employer's liability insurance in amounts not less than $1,000,000 per accident/disease.

(3) Comprehensive or commercial general liability insurance for any losses arising from each Project or its operation, with a limit of not less than $1,000,000 per each occurrence for bodily injury and property damage. If the general liability coverages contain a general aggregate limit, such limit will be not less than $2,000,000, and it will apply in total to the applicable Project only. Such insurance will be on an occurrence policy form and will include premises and operations, independent contractors, blanket contractual, products and completed operations, acts of terrorism, world wide defense and indemnity, advertising injury, employees as additional insureds, personal injury, incidental medical malpractice, severability of interests, innkeeper's and safe deposit box liability, and explosion, collapse and underground coverage during any construction, renovation, upgrading and/or remodeling.

(4) Liquor Liability (applicable when alcoholic beverages are distributed, sold, served, or furnished at the Project) for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence or each "common cause" and an aggregate of $2,000,000.

(5) Business Auto Liability including owned, non-owned and hired vehicles for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence.

(6) Umbrella or Excess Liability on a following form in amounts not less than $200,000,000 in excess of the liability insurance required under subsections A(2) through (5) immediately above.

(7) Fidelity insurance coverage or a fidelity bond in an amount not less than $1,000,000 per occurrence.

(8) Employment practices liability insurance in an amount not less than $1,000,000 per occurrence.

(9) Such other insurance as may be customarily carried by other first class operators on projects similar to the Projects or as required by Licensor on similar projects.

B. The following general insurance requirements will be satisfied by Licensee:

(1) All insurance under subsection A(3) through (5) of this Section and subsection A (6) (if such Umbrella or Excess does not follow form with the additional insured status in underlying policies in subsection A(3) through (5) of this Section) will by endorsement specifically name as additional insureds Licensor, any Affiliate of Licensor designated by Licensor, and their employees. All insurance required hereunder will be specifically endorsed or provide that the coverages will be primary and that any insurance carried by any additional insured will be excess and non-contributory, except as provided under a Licensor Management Agreement for a particular Project.

(2) Any deductibles or self-insured retentions allocated to any individual Project by Licensee (excluding deductibles for high hazard risks in high hazard geological zones, such as flood, earthquake, terrorism and windstorm, which will be as required by the insurance carrier) will not exceed $50,000, or such higher amount as may be approved in advance in writing by Licensor.

(3) All insurance purchased in compliance herewith will be placed with insurance companies of recognized responsibility and reasonably acceptable to Licensor which acceptance shall not be unreasonably withheld and approved to do business in the state or country where each Project is located.

(4) All insurance required hereunder will provide if commercially available (if not available, Licensee shall provide such notice) whereby the policies will not be canceled, non-renewed, or limits reduced without at least thirty (30) days prior notice to Licensor. Licensee will deliver to Licensor a certificate of insurance (or certified copy of such insurance policy if requested by Licensor in the event of a loss) in English evidencing the coverages required herein. Renewal certificates of insurance (or certified copies of such insurance policy if requested by Licensor in a particular jurisdiction) will be delivered to Licensor not less than ten (10) days prior to their respective inception dates.

(5) All insurance required hereunder may be written under policies of blanket insurance that cover other properties of Licensee and its Affiliates so long as such blanket insurance fulfills the requirements herein.

(6) Licensee’s obligation to maintain the insurance hereunder will not relieve Licensee of its indemnification obligations under Section 16.1.

(7) Should Licensee for any reason fail to procure or maintain the insurance required by this Agreement or as revised in writing by Licensor, Licensor will have the right and authority (without however any obligation to do so) to immediately procure such insurance and to charge the cost thereof to Licensee, which charges, together with a reasonable fee for Licensor’s expenses in so acting, will be payable by Licensee immediately upon notice.

16.3 Insurance Required During Construction.

Licensee shall maintain insurance pursuant to the requirements in the Design Review Addendum at Exhibit G.

16.4 Obligation to Maintain Insurance.

Licensee's obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under Sections 16.1. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 16.2 and 16.3 based on competitive terms and conditions in the jurisdiction where the applicable Project is located. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects. In the event Licensor or its Affiliates enter into a Licensor Management Agreement with Licensee, Licensor or its Affiliates agree to maintain the insurance required to be procured by Licensor or its Affiliates pursuant to the terms and conditions of such Licensor Management Agreement, but in no event will the coverage, terms and amounts be less than those terms and conditions set forth in the Licensor Management Agreement.

16.5 Contribution.

A. If the indemnification provided for under this Agreement is unavailable, or insufficient to hold harmless an indemnitee in respect of any indemnified liability, the indemnifying party will contribute to the amount paid or payable by the indemnitee as a result of such liabilities. The amount contributed by the indemnifying party will be in such proportion as reflects the relative fault of the indemnifying party and the indemnitee in connection with the actions or omissions resulting in the liability and any other relevant equitable considerations.

B. The parties agree that any method of allocation of contribution under this Section 16.5 will take into account the equitable considerations referred to in Section 16.5.A. The amount paid or payable by an indemnitee to which the indemnifying party will contribute will be deemed to include any legal or other expenses reasonably incurred by the indemnitee to investigate any claim or defend any action. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

17. TRANSFERABILITY OF INTERESTS

17.1 Transfers by Licensee.

Except as otherwise expressly provided herein, Licensee may not assign this Agreement or assign or sublicense any of its rights hereunder, or delegate any of its duties under this Agreement, or sell, transfer or dispose of all or substantially all of its assets relating to the Licensed Business, or merge or consolidate with any other entity in which Licensee is not the surviving entity, or engage in a transaction or series of related transactions that result in a Change in Control without Licensor's prior written consent which it may grant or withhold in its sole discretion. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond. Licensee shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensee are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensee by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensee, Licensor shall have the right to terminate this Agreement immediately upon notice to Licensee.

17.2 Transfers by Licensor.

A. Except as otherwise expressly provided herein, Licensor may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement; provided, however, that Licensor may Transfer this Agreement to any Person without prior notice to, or consent of, Licensee, provided such Person (a) assumes Licensor's obligations to Licensee under this Agreement and (b) (i) is an Affiliate of Licensor that has the legal, financial, and operational ability to perform the obligations of Licensor under this Agreement or (ii) acquires all or substantially all of Licensor's rights in respect of (a) the System, (b) MHR Hotels, and (c) the Branded Elements. This Agreement will be binding on and inure to the benefit of Licensor and the successors and assigns of Licensor. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement Licensor retains ownership or control of any of the underlying assets of the System necessary to perform Licensor's obligations under this Agreement, Licensor will continue to provide to Licensee, or to the Person assuming this Agreement, access to such underlying assets as is necessary to comply with the terms of this Agreement. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement, the components of the Branded Elements that are used in MHR Hotels are replaced with different or modified components by the Person assuming this Agreement, then, as a condition of such acquisition, such Person will be required to provide Licensee with access to such different or modified components that are comparable to the corresponding components of the Branded Elements. Licensor shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensor are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensor by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensor, Licensee shall have the right to terminate this Agreement immediately upon notice to Licensor.

B. Licensee acknowledges that Licensor and its Affiliates operate as a multi-national business enterprise. Without limiting Section 17.2.A., Licensor has the right to Transfer all or part of its rights under this Agreement to any of Licensor's Affiliates and, in connection therewith, require Licensee to pay amounts due under this Agreement to such Affiliates. However, if, as a result of any such Transfer, Licensee will be liable for greater Tax liability for payments due hereunder following such Transfer, any resulting increase in Tax liability shall be borne by Licensor and not by Licensee.

17.3 Proposed Transfers to Lodging Competitors.

Without limiting Section 17.1, no Transfer of any Ownership Interest in Licensee, any Projects, the Licensed Business or any Transaction Agreement will be made to a Lodging Competitor that results in a Lodging Competitor obtaining Control of Licensee, the Projects, or the Licensed Business. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond.

17.4 Comfort Letter and Security Interests in This Agreement.

In connection with any financing benefiting the Licensed Business, Licensee may not assign, mortgage, or grant a security interest in, or pledge as collateral, this Agreement, except as permitted hereunder. At Licensee's request, Licensor hereby agrees to provide to Licensee's lender a comfort letter that is substantially similar to the form of comfort letter that has been agreed to by the parties as of the Effective Date, so long as such lender is not an Affiliate of Licensee and Licensee is not in breach of any of its obligations under this Agreement. However, Licensor has no obligation to provide a "comfort letter" in connection with, or consent to, a transaction that would be prohibited by this Section

17. If a lender forecloses on, or otherwise exercises its rights against the assets of the Licensed Business, the revenues of the Licensed Business, or such Ownership Interests in Licensee, or Licensee violates this Section 17., Licensor will have the rights under Section 18.1. Licensor has no obligation to license a lender or any Person acting on behalf of a lender, including a receiver or servicer of a loan, to use the Licensed Marks or the System, unless that obligation arises from a valid and binding written agreement between Licensor and a lender.

18. BREACH, DEFAULT, AND REMEDIES

18.1 Licensee Project-, Sales Facility-, and Member Service Center-Level Breaches, Defaults, and Remedies.

A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If execution is levied against any Project or Licensee in connection with such Project in connection with a final, non-appealable judgment for the payment of an amount in excess of $10,000,000 (as adjusted annually after the Effective Date by the GDP Deflator), or a suit to foreclose any lien, mortgage, or security interest (except for foreclosures with respect to consumer financing on Member interests in Licensed Destination Club Units or Licensed Residential Units and except for mechanics liens that are placed on such Project in the ordinary course of business) on such Project or any property necessary for the operation of such Project in accordance with Brand Standards, is initiated and not vacated within ninety (90) days, then Licensor may issue of notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to post a bond or provide other financial assurances reasonably acceptable to Licensor that such Project can continue to operate as part of the Licensed Business in accordance with this Agreement. If Licensee fails to obtain such bond or provide adequate financial assurances, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(ii) Except where the failure to meet the applicable thresholds for performance under the Quality Assurance Audit System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if Licensee fails to achieve the thresholds of performance established by the Quality Assurance Audit System for any Project and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Quality Assurance Audit System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to improve the performance of such Project in accordance with the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into an agreement with Licensor in a form reasonably agreed to by the parties based on Licensor's then-current MHR Hotel consensual termination agreement that provides for the orderly removal of such Project from the System ("System Removal Agreement") or, if such Project is controlled by a Non-Controlled Property

Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, an agreement in a form reasonably agreed to by the parties that Licensee or its Affiliate, as applicable, will not renew such Non-Controlled Property Owners' Association management agreement ("Non-Renewal Agreement"). If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iii) Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if the overall customer satisfaction score under the Customer Satisfaction System for any Project is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Customer Satisfaction System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to meet the cure requirements set forth in the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement with respect to such Project or, if such Project is controlled by a Non-Controlled Property Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, a Non-Renewal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iv) (a) If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards and Licensee fails to request that such Non-Controlled Property Owners' Association cure the failure or fails to Deflag such Project in accordance with Section 8.5, then Licensor may issue a notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to comply with such requirements of Section 8.5. If Licensee fails to comply with such requirements of Section 8.5, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(b) If Licensee requests that any Non-Controlled Property Owners' Association cure any failure to develop, operate, maintain, or renovate any Project in accordance with the Brand Standards, the System, and the terms of this Agreement in accordance with Section 8.5; the Non-Controlled Property Owners' Association does not cure such failure; and despite Licensee's commercially reasonable efforts, Licensee is unable to promptly Deflag such Project in accordance with Section 8.5, then Licensor and Licensee shall have thirty (30) days following notice from Licensor to enter into a System Removal Agreement or a Non-Renewal Agreement, as applicable. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(v) With respect to any Project that is controlled by Licensee or its Affiliate or any Controlled Property Owners' Association, if Licensee, its Affiliate, or such Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vi) If Licensee fails to operate any Sales Facility or Member Service Center in compliance with this Agreement, the System, or the Brand Standards, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default with respect to such Sales Facility or Member Service Center. Licensee shall have thirty (30) days following notice of default to enter into an agreement with respect to (i) the change of management leadership of such Sales Facility (if such default relates to the operational aspects of such Sales Facility) or Member Service Center in a form agreed to by the parties, or (ii) the closure of such Sales Facility (if such default relates to the physical aspects of such Sales Facility) until such default is cured. If Licensee fails to execute such agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of such agreement), then Licensor may require Licensee to close such Sales Facility or Member Service Center and cease to operate such Sales Facility or Member Service Center as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vii) Except as permitted under Sections 8.5 and 9.4, if any Project ceases to operate as a Project under the Licensed Marks or the System, then Licensor may issue a notice of breach with respect to such Project. Licensee shall have thirty (30) days following notice of breach to enter into a System Removal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(viii) (a) If a threat or danger to public health or safety occurs at any Project, that in the determination of Licensor, could be expected to result in substantial liability or an adverse effect on such Project, the System, the Proprietary Marks, or the goodwill associated therewith, then Licensee will notify Licensor of the threat or danger and Licensee will provide Licensor with a plan to address such threat or danger in a manner reasonably acceptable to Licensor, which plan may include proposed arrangements to accommodate guests and Members at alternative lodging facilities and may require the treatment of Members differently than transient guests. Depending on the severity of such

threat or danger, Licensor may (i) suspend such Project from the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 until the breach is cured; or (ii) remove such Project from the System pending resolution of the threat or danger. However, if such Project is removed from the System under (ii) above, Licensee may request that Licensor reinstate the rights to operate such Project, and Licensor will thereafter reinstate such rights, if, within six (6) months after removal of such Project from the System, the threat or danger to public health or safety is eliminated and Licensor has determined that such reinstatement would not cause substantial liability or loss of goodwill;

(b) In the event any such threat or danger to public health or safety occurs and Licensee fails to notify Licensor thereof or provide the plan to address such threat or danger acceptable to Licensor in accordance with (a) above, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the Licensed Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B; provided, however, that the reinstatement rights described in (a) above shall apply upon such termination;

B. Upon any default under Section 18.1.A(i) through (viii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates Licensee's rights to operate such Project, Sales Facility, or Member Service Center as part of the Licensed Business in accordance herewith, Licensor will have the right to seek and obtain damages as to such Project, Sales Facility, or Member Service Center with respect to which the rights to operate hereunder have been terminated;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 at such Project until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs for sales and marketing efforts with respect such Project or Sales Facility or utilize any other services to be provided by Licensor or its Affiliates hereunder with respect to such Project or Sales Facility until the breach is cured; and

(4) To suspend or limit Licensee's rights to develop new phases of such Project as determined by Licensor its sole discretion until the breach is cured.

18.2 Licensee Agreement-Level Defaults.

A. The Agreement-level breaches listed in (i) through (xii) below are deemed to be material breaches for which Licensee may be placed in default under this Agreement if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.2.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensee or its Affiliates fail to pay any amounts due under this Agreement to Licensor or any of its Affiliates when the same becomes due and payable, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B., and if the aggregate amount outstanding that Licensee has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensor may terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee;

(ii) If Licensee or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensor or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by Licensor and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, Licensor may issue a notice of default and terminate this Agreement immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.;

(iii) (a) If Licensee or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Ritz-Carlton License Agreement, or under all such agreements taken together, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(b) If Licensor terminates the Rewards Agreement or the Ritz-Carlton License Agreement in accordance with the terms thereof based on Licensee's default thereunder, Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(iv) If Licensee or any principal, director, officer, shareholder, or agent of Licensee, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensor Confidential Information in violation of this Agreement, including Sections 9.1, 9.3, 9.4, 13.2, 13.3, or 14.1.A, then:

(a) Licensor may issue a notice of breach to Licensee. In connection with such breach, Licensor may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.2.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensee has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensee's gross negligence, and (iii) such breach has or may result in the goodwill associated with the Licensed Marks and System being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder and/or exercise any of the other remedies under Section 18.2.B.

(c) If Licensee violates Sections 9.1.D. or 9.3.B(i) with respect to the use of Licensor Confidential Information, then Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B.

(v) If at any time twenty-five percent (25%) or more of the Projects are then failing to achieve the minimum thresholds of performance established by the Quality Assurance Audit System and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vi) If at any time the average overall guest satisfaction score under the Customer Satisfaction System for all Projects is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vii) If at any time the weighted average overall composite customer satisfaction score for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System for all Projects is less than the Minimum Composite Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for

such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(viii) If Licensee or its Affiliates fail to comply with the Operational Brand Standards and such failure has, or is reasonably expected to have, a material adverse effect on Licensor or its Affiliates, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(ix) (a) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, is likely to have or has had a material adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Licensor's interests therein, then Licensor may issue a notice of breach and exercise any of the remedies under Section 18.2.B;

(b) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, has or may result in the goodwill associated with the Proprietary Marks and System being so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensor may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensee will undertake to remedy the breach to Licensor's satisfaction. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(x) If a Transfer by Licensee or its Affiliates occurs in violation of Section 17, Licensor may issue a notice of breach. If Licensee fails to notify Licensor within fourteen (14) days following the notice of breach that Licensee intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensor within ninety (90) days following the notice of breach, then Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; provided, however, that nothing herein shall restrict or limit Licensor's ability to seek injunctive relief to stop such Transfer at any time;

(xi) If Licensee dissolves or liquidates except in connection with a Transfer permitted by Section 17., Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; or

(xii) To the extent permitted by Applicable Law, if Licensee becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days)

under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on Licensee's operation of the Licensed Business or Licensor or Licensor's Affiliates, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.

B. Upon any default under Section 18.2.A(i) through (xii), Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.2.A(i) through (xii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates this Agreement pursuant to a termination right expressly identified in Section 18.2.A, Licensor will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement. Licensee agrees that Licensor has devoted substantial resources to developing and building the Licensed Business (including the Existing Projects, Licensed Marks, and the System) and that the Licensed Business, including the significant reputation and goodwill associated therewith, has been developed by Licensor over a period of years prior to the Effective Date. Licensee further acknowledges and agrees that, in the event Licensor terminates this Agreement as a result of a material event of default hereunder by Licensee, it would be commercially impossible for Licensor to take measures to recreate the Licensed Business or develop an equivalent business, and, therefore it would be unreasonable to expect or require Licensor to mitigate its damages resulting from such default and termination;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 of this Agreement at any or all Projects or the entire Licensed Business until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs and/or the Licensed Business Customer Information (except for Customer Information related to the Members) for sales and marketing efforts with respect any or all Projects or the entire Licensed Business until the breach is cured;

(4) To suspend or limit Licensee's rights to develop any New Project as determined by Licensor its sole discretion until the breach is cured; and

(5) To prohibit any New Project from opening or operating under the Licensed Marks as part of the Licensed Business until the breach is cured.

18.3 Licensor Defaults.

A. The breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensor may be placed in default under this Agreement if (x) Licensee gives Licensor notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensee in its sole discretion or required by Applicable Law) and (y) Licensor fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.3.A. If Licensor fails to cure the breach and is placed in default, then Licensee may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensor or its Affiliates fail to pay any amounts due under this Agreement to Licensee or any of its Affiliates when the same becomes due and payable, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, Licensee may issue a notice of default to Licensor and exercise any of the remedies under Section 18.3.B, and if the aggregate amount outstanding that Licensor has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensee may terminate this Agreement immediately upon notice to Licensor;

(ii) If Licensor or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensee or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by Licensee and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(iii) (a) If Licensor or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Ritz-Carlton License Agreement, or under all such agreements taken together, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, then Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(b) If Licensee terminates the Rewards Agreement or the Ritz-Carlton License Agreement in accordance with the terms thereof based on Licensor's default thereunder, Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

(iv) If Licensor or any principal, director, officer, shareholder, or agent of Licensor, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensee Confidential Information in violation of this Agreement, including Section 14.1.B., then:

(a) Licensee may issue a notice of breach to Licensor. In connection with such breach, Licensee may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.3.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensor has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensor's gross negligence, and (iii) such breach has or may result in the goodwill associated with the Licensed Business being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensee may issue a notice of default to Licensor and terminate this Agreement and/or exercise any of the other remedies under Section 18.3.B.

(v) If a Transfer by Licensor occurs in violation of Section 17.2, Licensee may issue a notice of breach. If Licensor fails to notify Licensee within fourteen (14) days following the notice of breach that Licensor intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensee within ninety (90) days following the notice of breach, then Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; provided, however, that nothing herein shall restrict or limit Licensee's ability to seek injunctive relief to stop such Transfer at any time;

(vi) If Licensor dissolves or liquidates, except in connection with a Transfer permitted by Section 17, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B;

(vii) To the extent permitted by Applicable Law, if Licensor becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on the Licensed Business or Licensee or Licensee's Affiliates, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; and

(viii) (a) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction prevents Licensee from obtaining or retaining the licenses that it requires to continue operating the Licensed Business at any individual Project(s), then Licensee may issue a notice of breach and exercise any of the remedies under Section 18.3.B;

(b) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction is the actual and sole cause of Licensee being prevented from obtaining or retaining the licenses that it requires to continue operating the Licensed Business at all or substantially all of the Projects and the Licensed Business is so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensee may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensor will undertake to remedy the breach to Licensee's

satisfaction. If Licensor fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

B. Upon any default under Section 18.3.A(i) through (viii), Licensee shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.3.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensor acknowledges and agrees that, in the event that Licensee terminates this Agreement pursuant to a termination right expressly identified in Section 18.3.A, Licensee will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement; or

(2) To suspend provision of the services that Licensee is required to provide to Licensor under this Agreement until the breach is cured.

18.4 Other Breaches.

If Licensee or Licensor materially fail to fulfill any of the other material covenants, undertakings, obligations or conditions set forth in this Agreement, the Ritz-Carlton License Agreement, the Rewards Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, except for where specific remedies are identified for breaches and defaults described in Section 18.1, 18.2 and 18.3, the non-defaulting party shall have the right to institute any and all proceedings permitted by Applicable Law or in equity with respect to such failure, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages; provided, however, that the non-defaulting party shall not have the right to terminate this Agreement with respect to such failure unless it is determined by an arbitration panel under Section 22.4 that (i) the non-defaulting party has been or will be damaged in an amount in excess of fifty million dollars ($50,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or (ii) the goodwill associated with the Licensed Marks and System (if Licensor is the non-defaulting party) or the Licensed Business (if Licensee is the non-defaulting party) has been or will be so materially damaged as a result of the conduct of the defaulting party that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, in which case the non-defaulting party shall have the right to terminate this Agreement upon the rendering of arbitration panel's determination. The parties acknowledge and agree that, in the event that the non-defaulting party terminates this Agreement pursuant to this Section 18.4, the non-defaulting party will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement.

18.5 Extraordinary Events.

A. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy any representation, warranty, covenant, undertaking, obligation, standard, test, or condition set forth in this Agreement with respect to one or more Projects, Sales Facilities, or Member Service Centers, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused with respect to the subject Projects, Sales Facilities, or Member Service Centers (but only as to the subject Projects, Sales Facilities, or Member

Service Centers) for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

B. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy a material obligation set forth in this Agreement that affects all or substantially all of the services to be provided under this Agreement or that has a material adverse effect on the Licensed Business as a whole, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

19. POST-TERMINATION OBLIGATIONS; DE-IDENTIFICATION

19.1 Project De-Identification and Post-Termination Obligations.

A. Upon termination of Licensee's rights to operate one or more (but not all) of the Licensed Destination Club Projects under the System, all rights to operate the subject Licensed Destination Club Project under the System shall terminate, and the subject Licensed Destination Club Project shall be Deflagged. In connection with the Deflagging:

(i) the Deflagged Destination Club Project may continue to be included in the inventory of the Licensed Non-Site Specific Destination Club Program as a usage option for Members, but must be clearly identified as a non-Marriott product in all of Licensee's distribution channels. Licensee will notify all Members upon the Deflagging pursuant to a form of notice agreed to by the parties that the Deflagged Destination Club Project in no longer affiliated with the System and is no longer a Licensed Destination Club Project.

(ii) Members who own interests in the Destination Club Units at the subject Deflagged Destination Club Project other than through a Non-Site Specific Destination Club Program, if any, will lose their right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program. Such Members may, however, continue to elect to enroll such interests in the Licensed Non-Site Specific Destination Club Program in exchange for usage rights in the Licensed Non-Site Specific Destination Club Program and trade such usage rights for points under the Brand Loyalty Program.

(iii) Members who own interests in Destination Club Units at the subject Deflagged Destination Club Project through a Non-Site Specific Destination Club Program may continue to trade usage rights in such interests for points under the Brand Loyalty Program.

(iv) Interests in Destination Club Units at the subject Deflagged Destination Club Project that are not part of a Licensed Non-Site Specific Destination Club Program shall no longer be sold under, or in association with, the Licensed Marks or any other aspect of the System, or made part of a Licensed Non-Site Specific Destination Club Program.

(v) Interests in Destination Club Units in phases of the Deflagged Destination Club Project that were already part of a Licensed Non-Site Specific Destination Club Program at the time of the Deflagging may, however, continue to be sold for use in the Licensed Non-Site Specific Destination Club Program, but interests in new phases of the Deflagged Destination Club Project shall not be made part of a Licensed Non-Site Specific Destination Club Program and shall not be sold as part of a Licensed Non-Site Specific Destination Club Program.

(vi) Inventory for transient rental at the Deflagged Destination Club Project will no longer be listed on Marriott.com, and stays at the Deflagged Destination Club Project will not be deemed a "Marriott" stay for purposes of the Brand Loyalty Program.

B. Upon termination of Licensee's rights to operate one or more (but not all) of the Projects under the System and except as otherwise provided in Section 19.1.A, all rights to operate the subject Project under the System will immediately terminate, including the rights to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements with respect to the subject Project, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the subject Project is or was in any way connected with the System and will fully comply with Section 13.2.A(4), other than as required Applicable Law.

(2) Licensor will not represent that the subject Project is or was in any way connected with the System, other than as required by Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the subject Project (except Licensed Business Customer Information relating to Members of the subject Project that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that the subject Project is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any subject Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after termination of Licensee's rights to operate the subject Project under the System (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Each party will promptly pay all amounts owing to the other party and any of its Affiliates related to the subject Project.

(5) Licensor at its expense will promptly perform such reasonable additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the subject Project.

C. Upon discontinuation of Licensee's rights to include a Non-Site Specific Destination Club Ownership Vehicle as part of a Licensed Non-Site Specific Destination Club Program pursuant to Section 5.2.F., all rights to operate the subject Non-Site Specific Destination Club Ownership Vehicle under the System shall terminate, and the subject Non-Site Specific Destination Club Ownership Vehicle shall be Deflagged. In connection with the Deflagging:

(i) Interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle shall no longer be sold under, or included in or associated with, the Licensed Marks or any other aspect of the System, or be included in a Licensed Non-Site Specific Destination Club Program.

(ii) Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle will no longer have any right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program.

(iii) Upon the Deflagging, Licensee will notify all Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle pursuant to a form of notice agreed to by the parties that the Deflagged Non-Site Specific Destination Club Ownership Vehicle in no longer affiliated with the System and is no longer part of a Licensed Non-Site Specific Destination Club Program.

(iv) The subject Deflagged Non-Site Specific Destination Club Ownership Vehicle may continue to hold interests in Licensed Destination Club Units that it holds at the time of Deflagging, however, Licensee shall not, without Licensor's prior consent in Licensor's sole discretion, add interests in Licensed Destination Club Units to the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle subsequent to such Deflagging, unless such interests were committed to be included in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle prior to the time of Deflagging.

(v) Licensee may continue to include interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle as an external Exchange Program usage option for Members of the Licensed Destination Club Business, provided that such Deflagged Non-Site Specific Destination Club Ownership Vehicle is clearly identified as a non-Marriott product in all of Licensee's distribution channels.

19.2 Agreement De-Identification and Post-Termination Obligations.

Upon expiration or other termination of this Agreement, all rights granted under this Agreement to Licensee to operate the Projects under the System will immediately terminate, including the rights under this Agreement to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the Licensed Destination Club Business, the Licensed Whole Ownership Residential Business or any of the Projects are in any way connected with the System or hold itself out as a licensee or former licensee of Licensor or that it was formerly known by the Permitted Corporate Name or any other corporate name or trade name containing the Licensed Marks, other than as required by Applicable Law.

(2) Licensor will not represent that any of the Projects are in any way connected with the System or hold itself out as a licensor or former licensor of Licensee, other than as required Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the Projects (except for the Licensed Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that Licensee is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after expiration or termination of this Agreement (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Licensor at its expense will promptly remove any items using the Licensee Intellectual Property from or in connection with any Licensor Lodging Facilities or any other businesses of Licensor and its Affiliates (except that Licensee shall be responsible for removing any Sales Facilities located at Licensor Lodging Facilities at Licensee's expense) and perform such additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the Projects or the Destination Club Business or Whole Ownership Residential Business of Licensee and its Affiliates and is not using any Licensee Intellectual Property.

(5) Licensee will immediately turn over to Licensor all copies of any Licensor Confidential Information, Licensor Intellectual Property, and all other System materials relating to the operation of the Licensed Business and the Projects (except for the Licensed Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)), all of which are acknowledged by Licensee to be Licensor's property. Licensee will not retain a copy or record of any of the foregoing, except for Licensee's copy of this Agreement, any correspondence between the parties, and any other documents that Licensee reasonably needs for compliance with any provisions of Applicable Law. If Licensor expressly permits Licensee to continue to use any Licensor Intellectual Property after the termination or expiration date, such use by Licensee will be in accordance with the terms of this Agreement.

(6) Licensor will immediately turn over to Licensee all copies of any Licensee Confidential Information, Licensee Intellectual Property, and all other materials relating to the operation of the Projects, all of which are acknowledged by Licensor to be Licensee's property. Licensor will not retain a copy or record of any of the foregoing, except for Licensor's copy of this Agreement, any correspondence between the parties, and any other documents that Licensor reasonably needs for compliance with any provisions of Applicable Law. If Licensee expressly permits Licensor to continue to use any Licensee Intellectual Property after the termination or expiration date, such use by Licensor will be in accordance with the terms of this Agreement.

(7) Licensee may retain Licensed Business Customer Information only for the purposes of servicing the Members of the Licensed Destination Club Projects and the residents of the Licensed Residential Projects in existence at the end of the Term. Licensee shall have the right to use the name, address, telephone number, e-mail address, and other contact information with respect to those Members in the same manner and form as Customer Information of other customers of the Destination Club Business or the Whole Ownership Residential Business generally is used. Licensee shall not use that portion of the Licensed Business Customer Information with respect to those Members that includes or relates to those Members' participation in the Brand Loyalty Program in any way, shape, or form to identify or otherwise to market to those Members Destination Club Products, Residential Units, or a Lodging Business of Licensee, its Affiliates, or any other third party. Licensee shall at all times comply with the confidentiality provisions of this Agreement with respect to such Licensed Business Customer Information.

(8) Each party will promptly pay all amounts owing to the other party and any of its Affiliates under this Agreement.

19.3 Survival.

The rights and obligations of the parties under this Section 19 will survive termination or expiration of this Agreement.

20. COMPLIANCE WITH LAWS; LEGAL ACTIONS

20.1 Compliance with Laws.

A. The parties will comply with all Applicable Laws in connection with the fulfillment of their respective obligations under this Agreement. Licensee will forward to Licensor within a reasonable period of time (not to exceed ten (10) business days) following Licensee's receipt copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity related to any Project or the Licensed Business that identify a material failure to meet or maintain governmental standards regarding health or life safety or any other material violation of Applicable Law that may materially and adversely affect the operation of any Project or adversely affect the Licensed Business or Licensee.

B. Each party will, if required by Applicable Law, timely file, register, or report this Agreement or the payments to be made hereunder, as applicable, to the appropriate governmental authorities having jurisdiction over any Project, the Licensed Business or this Agreement, and pay all costs and expenses related thereto.

20.2 Notice Regarding Legal Actions.

Licensee and Licensor will each notify the other (i) within a reasonable period of time (not to exceed ten (10) business days) after the applicable party has actual knowledge of the commencement of any material action, suit, or other proceeding that involves any Project or the Licensed Business that could have a material adverse effect on the Project or the Licensed Business or with respect to which the amount in controversy exceeds five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator); or Licensor's or Licensee's relationship with any Project, the Licensed Business or the System, and (ii) within a reasonable period of time (not to exceed ten (10) business days) after the issuance of any judgment, order, writ, injunction, award, or other decree of any court, agency, or other governmental instrumentality that may materially adversely affect the operation or financial condition of any Project, Licensor or Licensee. Nothing in this Section 20.2, however, will abrogate any notice requirement that Licensor or Licensee may have under any insurance program or contract.

20.3 Block Exemption.

Licensor and Licensee acknowledge and agree that the license is granted on the assumption that this Agreement complies, and will continue to comply, with the European Commission's Block Exemption Regulation for Vertical Agreements (EU No. 330/2010) (the "Regulation") and with Article 101 of the Treaty on the Functioning of the European Union ("Article 101") and with the official interpretative guidelines of 2010, and any successor to the Regulation and to the guidelines. If, at any time, questions arise concerning this Agreement's compliance with the Regulation, the parties agree to use their best efforts and to cooperate with each other to amend this Agreement either to bring it into conformity with the requirements of the Regulation or to seek an alternative way to comply with Article 101. If, in Licensor's sole judgment, this Agreement cannot be modified to comply with Article 101, including the Regulation, without undermining material elements of the license relationship, Licensor may, at its option, without liability for such action or any further obligation to Licensee, terminate the provisions of this Agreement and the license upon thirty (30) days' notice to Licensee as to the portions of the Agreement or Territory that violate the Regulation. In such event, with respect to any change in the territorial rights that are materially adverse to Licensee or a material decrease in revenue of the Licensed Business that are directly attributable to such termination, the Base Royalty shall be equitably adjusted to take into account the termination of the provisions of this Agreement and the license as to the portions of

the Territory that include the European Union. To the extent that the post-termination obligations described in Section 19 of this Agreement would be applicable, Licensee and its Affiliates will comply with such obligations.

21. RELATIONSHIP OF PARTIES

21.1 Reasonable Business Judgment.

Unless Licensor has reserved "sole discretion," Licensor will use its reasonable business judgment when discharging its obligations or exercising its rights or discretion under this Agreement. Licensee agrees that Licensor, in the exercise of its reasonable business judgment, may act with the intention to benefit the System and Licensor's business as a whole, and not individual Licensor Lodging Facilities or other facilities, including the Projects. Licensee will have the burden of establishing that Licensor failed to exercise reasonable business judgment, and neither the fact that Licensor benefited economically from an action nor the existence of other "reasonable" or "commercially reasonable" alternatives will, by themselves, imply such a failure. To the extent that any implied covenant, such as the implied covenant of good faith and fair dealing, or civil law duty of good faith is applied to this Agreement, Licensor and Licensee intend that Licensor will not have violated such covenant or duty if Licensor has exercised reasonable business judgment.

21.2 Independent Contractor.

A. This Agreement does not create a fiduciary relationship between Licensor and Licensee. Licensee and Licensor are independent contractors, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, manager, employee, or servant of the other for any purpose, except that Licensor may act on Licensee's behalf as Licensee's agent for purposes of booking reservations at any Project.

B. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty, or representation on the other party's behalf or to incur any debt or other obligation in the other party's name.

22. GOVERNING LAW; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; ARBITRATION; AND EXPERT RESOLUTION

22.1 Governing Law; Venue.

A. This Agreement is executed pursuant to, and will be interpreted and construed under the laws of New York, without regard to the conflict of laws provisions of such jurisdiction. Nothing in this Section 22.1 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state which would not otherwise apply absent this Section 22.1.

B. Each party hereby expressly and irrevocably submits itself to the non-exclusive jurisdiction of the courts of New York for the purpose of resolving any Dispute under Section 22.2. So far as is permitted under the laws of New York, this consent to personal jurisdiction will be self-operative.

22.2 Injunctive Relief.

A. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or

irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or Licensor Confidential Information. The rights conferred by this Section 22.2.A expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Licensee's failure to operate any portion of the Licensed Business in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

B. Licensee will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy or actual or threatened misuse or misappropriation of the Licensee Intellectual Property or Licensee Confidential Information.

22.3 Costs of Enforcement.

If for any reason it becomes necessary for either party to initiate any legal or equitable action to secure or protect its rights under this Agreement, the prevailing party will be entitled to recover all costs incurred by it in successfully enforcing such rights, including reasonable lawyers' fees.

22.4 Arbitration.

A. Except as otherwise specified in this Agreement, any Dispute or any other matter concerning any aspect of the relationship of the parties will be finally settled, by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, except as modified herein (the "AAA Rules"), conducted in Washington, DC.

B. There will be three (3) arbitrators. If there are only two (2) parties to the arbitration, each of Licensor and Licensee will appoint one (1) arbitrator within twenty (20) days after receipt by respondent of a copy of the demand for arbitration. For purposes of this Section 22.4, Licensor and its Affiliates, on one hand, and Licensee and its Affiliates, on the other hand, will each be deemed to be one (1) party. The two (2) party-appointed arbitrators will have twenty (20) days from the appointment of the second (2nd) arbitrator to agree on a third (3rd) arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 22.4.B. will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause.

C. Any Dispute to be settled by arbitration under this Section 22.4 will at the request of Licensor or Licensee be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to this Agreement or any other agreement (including any other Transaction Agreements) between or among Licensee, Guarantor and their respective Affiliates on the one hand and Licensor or its Affiliates on the other. If there are multiple claimants and/or multiple respondents to the effect that there are more than two (2) parties to the arbitration, all claimants and/or all respondents will attempt to agree upon their respective appointments. If such multiple parties fail to nominate an arbitrator within thirty (30) days, the AAA will appoint an arbitrator on their behalf. In such circumstances, any existing nomination of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrators will be appointed in accordance with AAA Rules R. 12 and R. 13.

D. Any controversy concerning whether a Dispute is an arbitrable Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 22.4 will be determined by the arbitrators.

E. The decision of the arbitral tribunal will be final and binding upon the parties, and such decision will be enforceable through any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Agreement. The arbitral tribunal may award or include in their award any relief they deem proper in the circumstances, including money damages (with Interest on unpaid amounts from the date due), specific performance and legal fees and costs in accordance with this Agreement; however, the arbitral tribunal may not award special, punitive, consequential or exemplary damages. The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal. The arbitral tribunal will have the authority to make such orders granting interim or provisional relief during the pendency of the arbitration as it deems just and equitable. Any such order will be without prejudice to the final determination of the controversy.

F. The parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Dispute as promptly as practicable. Subject to Applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by Applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

G. Any arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Licensor is a party, except as specified below. No decision on any matter in any other arbitration proceeding in which Licensor is a party will prevent any party to the arbitration proceeding from submitting evidence with respect to the same or a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

H. Each party may, without waiving any rights it has under this Agreement, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property.

I. The provisions of this Section 22.4 will survive the expiration or termination of this Agreement.

22.5. Expert Resolution.

Where this Agreement calls for a matter to be referred to Expert(s) for determination, the following provisions shall apply.

A. The use of Expert(s) shall be the exclusive remedy of the parties and neither party shall attempt to adjudicate any dispute in any other forum. The decision of Expert(s) shall be final and binding on the parties and shall not be capable of challenge, whether by arbitration, in court or otherwise. In the event there is more than one (1) Expert, then the decision of Experts shall be determined by a majority vote. Recognition and enforcement of any decision or award rendered by the Expert(s) may be sought in any court of competent jurisdiction.

B. If either party calls for a determination by Expert(s) in accordance with the terms of this Agreement, the parties shall have ten (10) days from the date of such request to agree upon and appoint an Expert and, if they fail to agree, each party shall have an additional ten (10) days to make its respective selection of an Expert, and within ten (10) days of such respective selections, the two (2) respective Experts so selected shall select a third (3rd) Expert. If either party fails to make its respective selection of an Expert within the specified period, then the other party's selection shall be the Expert. If the two (2) respective Experts selected by the parties fail to select a third (3rd) Expert, then the third Expert shall be appointed by the American Arbitration Association. Any dispute to be determined by the Expert pursuant to this Section shall, at the request of either party, be resolved in a single Expert proceeding before the same Expert(s) together with any dispute to be determined by an Expert arising out of or relating to this Agreement.

C. Each party shall be entitled to make written submissions to the Expert(s), and if a party makes any submission, it shall also provide a copy to the other party(ies) and the other party(ies) shall have the right to comment on such submission within the time periods established pursuant to Section 22.5.E. During the period beginning with the appointment of an Expert or the appointment of three (3) Experts pursuant to Section 22.5.B. and continuing until an Expert determination is rendered, neither party shall communicate with any of the Experts regarding the subject matter submitted for determination without disclosing the content of any such communication to the other party. The parties shall make available to the Expert(s) such books and records relating to the issue in dispute and shall render to the Expert(s) any assistance requested of the parties. The costs of the Expert(s) and the proceedings shall be borne as directed by the Expert(s) unless otherwise provided for herein.

D. The Expert(s) shall decide the matter referred for determination by applying the terms, conditions and standards set forth in this Agreement regarding such matter.

E. The terms of engagement of the Expert(s) shall include an obligation on the part of the Expert(s) to: (i) notify the parties in writing of the decision within thirty (30) business days (ninety (90) days for matters referred to Expert determination under Section 2.5.C) from the date on which the Expert (or last Expert, if there are three (3)) has been selected (or such other period as the parties may agree or as set forth herein); and (ii) establish a timetable for the making of submissions and replies.

22.6 Waiver of Jury Trial and Punitive Damages.

Each party hereby absolutely, irrevocably and unconditionally waives trial by jury and the right to claim or receive special, consequential, punitive or exemplary damages arising out of, pertaining to or in any way associated with the covenants, undertakings, representations or warranties set forth in this Agreement, the relationships of the parties hereto, this Agreement or any other Transaction Agreement.

23. NOTICES.

23.1 Notices.

A. Subject to Section 23.1.B, all notices, requests, demands, statements, and other communications required or permitted to be given under the terms of this Agreement will be in writing, in the English language, and delivered by hand against receipt or carried by reputable overnight/international courier service, to the respective party at the following addresses:

To Licensor:

Marriott International, Inc.
and
Marriott Worldwide Corporation
10400 Fernwood Road
Bethesda, Maryland 20817
United States of America
Attn: General Counsel
Telephone: (1) (301) 380-8326

To Licensee:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: President and Chief Executive Officer
Telephone: (1) 407-206-6000

With a copy to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: General Counsel
Telephone: (1) 407-206-6000

or at such other address as designated by notice from the respective party to the other party. Any such notice or communication will be deemed to have been given at the date and time of: (i) receipt or first refusal of delivery if delivered by hand; or (ii) two days after the posting thereof if sent via reputable overnight/international courier service.

B. Each party may provide the other party with routine information, invoices, Brand Standards and other System requirements and programs, such as the Quality Assurance Program, including any modifications thereto, by regular mail or by e-mail, facsimile, or by making such information available to the other party on the Internet, an extranet, or other electronic means.

24. CONSTRUCTION AND SEVERABILITY; APPROVALS, CONSENTS AND WAIVERS; ENTIRE AGREEMENT

24.1 Construction and Severability.

A. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement, including Section 16.1, will be considered severable; and if, for any reason any section, part, term, or provision is determined to be invalid, unenforceable or contrary to, or in conflict with, any existing or future Applicable Law or by an arbitral tribunal, a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other sections, parts, terms, and provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind Licensor and Licensee. To the extent possible, such invalid or unenforceable sections, parts, terms, or provisions will be deemed to be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

B. No right or remedy conferred upon or reserved to Licensor or Licensee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

C. When this Agreement provides that either party may take or refrain from taking any action or exercise discretion, such as rights of approval or consent, or to modify any part of the Brand Standards or System, or to make other determinations or modifications under this Agreement, such party may do so from time to time.

D. Unless otherwise stated, references to Sections are to Sections of this Agreement.

E. Unless otherwise stated, references to Exhibits, Attachments or Addenda are to Exhibits, Attachments and Addenda to this Agreement, and all of such are incorporated by reference into this Agreement.

F. Words importing the singular include the plural and vice versa as the context may imply. Words importing a gender include each gender as the context may imply.

G. Unless otherwise stated, references to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

H. The words “include,” “included” and “including” will be terms of enlargement or example (meaning that, for instance, “including” will be read as “including but not limited to”) and will not imply any restriction or limitation unless the context clearly requires otherwise.

I. Captions and section headings are used for convenience only. They are not part of this Agreement and will not be used in construing it.

J. The Recitals are incorporated in and made part of this Agreement.

24.2 Approvals, Consents and Waivers.

Except as otherwise provided in this Agreement, approvals, designations, and consents required under this Agreement will not be effective unless evidenced by a writing signed by the duly authorized officer or agent of the party giving such approval or consent. No waiver, delay, omission, or

forbearance on the part of Licensor or Licensee to exercise any right, option or power arising from any default or breach by the other party, or to insist upon strict compliance by the other party with any obligation or condition hereunder, will affect or impair the rights of Licensor or Licensee, respectively, with respect to any such default or breach or subsequent default or breach of the same or of a different kind. Any delay or omission of either party to exercise any right arising from any such default or breach will not affect or impair such party's rights with respect to such default or breach or any future default or breach. No party will be liable to the other party for providing (or denying) any waiver, approval, consent, or suggestion to the other party in connection with this Agreement or by reason of any delay or denial of any request.

24.3 Entire Agreement.

As of the date of this Agreement, this Agreement, including all exhibits, attachments, and addenda, and the Transaction Agreements contain the entire agreement between the parties as it relates to the Licensed Business and the Projects. This is a fully integrated agreement.

24.4 Amendments.

No agreement of any kind relating to the matters covered by this Agreement will be binding upon either party unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties. This Agreement may only be amended in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties and may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Agreement by conduct manifesting assent or by electronic signature is not authorized to do so.

25. REPRESENTATIONS, WARRANTIES AND COVENANTS

25.1 Existence and Power; Authorization; Contravention.

A. Each party represents, warrants and covenants that: (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; (ii) it and its Affiliates have and will continue to have the ability to perform its obligations under this Agreement; and (iii) it has and will continue to have all necessary power and authority to execute and deliver this Agreement.

B. Each party represents, warrants and covenants that the execution and delivery of this Agreement and the performance by such party of its obligations hereunder: (i) have been duly authorized by all necessary action; (ii) do not require the consent, vote, or approval of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any Applicable Law; or (c) any agreement, indenture, contract, commitment, restriction or other instrument to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound.

C. Each party represents and warrants that all information provided in connection with this Agreement, are true, correct and complete as of the time made and as of the Effective Date, regardless of whether such representations and warranties were provided by such party, one of its Affiliates, or by a third party on behalf of such party, unless such party has notified the other party of a change in the representations and warranties or the information and such other party has approved the change.

25.2 Acknowledgements and Representations Regarding Territorial Restrictions in Existing Contracts.

The parties acknowledge that each party may, as of the Effective Date, be parties to agreements with third parties that contain territorial restrictions, including the Permitted Territorial Restrictions, that would be a breach of this Agreement if either party had agreed to such territorial restrictions without the consent of the other party during the Term. The parties represent and agree that those existing territorial restrictions shall, in no event, be deemed a breach hereof, and that each party will be bound by such territorial restrictions to the extent that such territorial restrictions are applicable to them.

26. MISCELLANEOUS

26.1 Translations.

The English language version of all written materials, including this Agreement, the Brand Standards, the Software, any other documents, forms, agreements, manuals, and advertising materials provided to either party under this Agreement will be the version used for determining the intent of the parties. Either party may translate any such materials into any other language. All translations will be at the sole cost and expense of the translating party. Ownership of any translated materials shall vest in the party who owned the materials from which the translation was made, and all copyrights in any such translated materials will be assigned by translating party to the owning party or its designated Affiliate upon the owning party's request. The translating party will obtain any necessary agreement with any translator that such translation will be the sole property of the owning party or its Affiliates.

26.2 Multiple Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes and all of which will constitute, collectively, one agreement. Delivery of an executed signature page to this Agreement by electronic transmission will be effective as delivery of a manually signed counterpart of this Agreement.

26.3 Failure to Close the Spin-Off Transaction.

Notwithstanding anything to the contrary in this Agreement, if the Spin-Off Transaction fails to close on or before March 31, 2012, either party may terminate this Agreement immediately upon notice to the other party and neither party will have any liability to the other in connection with such termination.

27. LICENSOR MANAGED PROJECTS

27.1 Provisions of this Agreement That Do Not Apply to Licensor Managed Projects.

The parties acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, the following provisions do not apply to the Licensor Managed Projects (but continue to apply to other Projects) and that, to the extent these matters are covered in the applicable Licensor Management Agreement, the applicable provisions of such Licensor Management Agreement will govern such matters:

(i) Section 16.1.A(xvi) regarding Licensee's indemnification of Licensor for failure to operate the Projects in compliance with this Agreement; and

(ii) Sections 18.1.A(i), (ii), (iii), (vii), and (viii), regarding Project-level breaches, defaults, and remedies.

27.2 Provisions of this Agreement That Are Modified With Respect to the Licensor Managed Projects.

The parties acknowledge and agree that the following provisions are hereby modified solely for the purposes of their application to the Licensor Managed Projects (but not with respect to other Projects), and these modified provisions will control with respect Licensor Managed Projects.

(i) Section 8.4.B shall be modified as follows:

"B. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Quality Assurance Audit System. Licensee shall administer the Quality Assurance Audit System, using Licensee's Quality Assurance System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. Licensor shall conduct audits of each Project under the Quality Assurance Audit System no less than annually, unless Licensee consents to a longer period in writing. Licensee shall pay all costs for such Quality Assurance Audit System."

(ii) The first paragraph of Section 18.1.A shall be modified as follows:

"A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (iii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:"

(iii) Sections 18.1.A(iv), (v), and (vi) shall be re-lettered as Sections 18.1.A(i), (ii), and (iii).

(iv) The first paragraph of Section 18.1.B shall be modified as follows:

"B. Upon any default under Section 18.1.A(i) through (iii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (iii):"

(v) Sections 18.2.A(v) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to achieve the minimum thresholds for performance under the Quality Assurance Audit System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

(vi) Sections 18.2.A(vi) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

(vii) Sections 18.2.A(vii) is hereby modified by adding the following at the beginning of that Section:

"Except where the failure to achieve the applicable Minimum Composite Customer Satisfaction Score target for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F,"

27.3 Provisions of this Agreement Applicable to Non-Licensor Managed Projects and Licensor Managed Projects.

A. The provisions of this Agreement except for Sections 27.1 and 27.2, including all Exhibits hereto, shall apply to the non-Licensor Managed Projects as written and without reference to Sections 27.1 or 27.2.

B. All provisions of this Agreement not deleted or modified with respect to the Licensor Managed Projects under Section 27.1 and 27.2 shall apply to the Licensor Managed Projects as written and without reference to Sections 27.1 or 27.2.

28. GUARANTY.

28.1 Guaranty.

Each Guarantor unconditionally and irrevocably guaranties to Licensor that if Licensee fails for any reason to perform when due any of its respective obligations to Licensor under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum (the "Obligations") within the time specified therein, it will without any demand or notice whatsoever promptly pay or perform such Obligations (the "Guaranty"). The Guarantors acknowledge that the Guaranty is a continuing guaranty and may not be revoked and shall not otherwise terminate unless this (i) Agreement has terminated or expired in accordance with Sections 4. or 18 and (ii) all amounts owing to Licensor by Licensee and the Guarantors pursuant to the Obligations have been paid in full. The liability of each Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of Licensee or any other Guarantor and a separate action or actions may be brought and prosecuted against any Guarantor, whether or not any action is brought or prosecuted against Licensee or any other Guarantor or whether Licensee or any other Guarantor is joined in any such action or actions. The Guaranty shall be construed as a continuing, absolute and unconditional guaranty both of performance and of payment (and not merely of collection) without regard to: (i) any modification, amendment or variation in or addition to the terms of any of the Obligations or any covenants in respect thereof or any security therefor, (ii) any extension of time for performance or waiver of performance of any covenant of Licensee or any other Guarantor or any failure or omission to enforce any right with regard to or any other indulgence with respect to any of the Obligations, (iii) any exchange, surrender, release of any other guaranty of or security for any of the Obligations, or (iv) any bankruptcy, insolvency, reorganization, or proceeding involving or affecting Licensee or any other Guarantor, it being Guarantors' intent that Guarantors' obligations hereunder shall be absolute and unconditional under any and all circumstances.

28.2 Guarantor Waivers.

Each Guarantor hereby expressly waives diligence, presentment, demand, protest, and all notices whatsoever with regard to any of the Obligations and any requirement that Licensor exhaust any right, power or remedy or proceed against Licensee or any other Guarantor of or any security for any of the Obligations. Each and every default in payment or performance by Licensee of any of the Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder against any Guarantor as each cause of action arises. Notwithstanding the foregoing, Licensor hereby acknowledges and agrees that the Guarantors do not waive any defense that an Obligation has already been paid, already been performed, is not due or yet due, or is subject to offset under the terms of this Agreement. For the avoidance of doubt, nothing herein shall obligate any Guarantor to make any payment which is illegal for such Guarantor to have made under any Applicable Law now or hereafter in effect in any jurisdiction applicable to such Guarantor.

28.3 Maximum Liability of Guarantors.

It being understood that the intent of Licensor is to obtain a guaranty from each Guarantor, and the intent of each Guarantor is to incur guaranty obligations, in an amount no greater than the largest amount that would not render such obligations subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, it is hereby agreed that:

(a) if (i) the sum of the obligations of the Guarantors hereunder (the "Guarantor Obligations") *exceeds* (ii) the sum (such sum, the "Total Available Net Assets") of the Maximum Available Net Assets of the Guarantors and Licensee, in the aggregate, then the Guarantor Obligations of each Guarantor shall be limited to the greater of (x) the Total Available Net Assets and (y) the value received by such Guarantor in connection with the incurrence of the Guarantor Obligations to the greatest extent such value can be determined; and

(b) if, but for the operation of this clause (b) and notwithstanding clause (a) above, the Guarantor Obligations of any Guarantor hereunder otherwise would be subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, taking into consideration such Guarantor's (i) rights of contribution, reimbursement and indemnity from Licensee and the other Guarantors with respect to amounts paid by such Guarantor in respect of the Obligations (calculated so as to reasonably maximize the total amount of obligations able to be incurred hereunder), and (ii) rights of subrogation to the rights of Licensor, then the Guarantor Obligations of such Guarantor shall be the largest amount, if any, that would not leave such Guarantor, after the incurrence of such obligations, insolvent or with unreasonable small capital within the meaning of Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, or otherwise make such obligations subject to such avoidance.

Any Person asserting that the Guarantor Obligations of a Guarantor are subject to clause (a) or are avoidable as referenced in clause (b) shall have the burden (including the burden of production and of persuasion) of proving (i) the extent to which such Guarantor Obligations, by operation of clause (a), are less than the Obligations owed by Licensee to Licensor or (ii) that, without giving effect to clause (b), the Guarantor Obligations of such Guarantor hereunder would be avoidable and the extent to which such Guarantor Obligations, by operation of clause (b), are less than the Obligations of Licensee, as the case may be.

[*SIGNATURE BLOCKS APPEAR ON THE FOLLOWING PAGE*]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, under seal, as of the Effective Date.

LICENSOR:

MARRIOTT INTERNATIONAL, INC.

By: /S/ CARL T. BERQUIST
Name: Carl T. Berquist
Title: Executive Vice President and Chief Financial Officer

MARRIOTT WORLDWIDE CORPORATION

By: /S/ KEVIN M. KIMBALL
Name: Kevin M. Kimball
Title: Vice President

LICENSEE:
MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

[*ADDITIONAL SIGNATURES BLOCKS APPEAR ON THE FOLLOWING PAGE*]

SOLELY FOR THE PURPOSES OF THE GUARANTY IN SECTION 28.:

MARRIOTT OWNERSHIP RESORTS, INC.

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

MVCI ASIA PACIFIC PTE. LTD.

By: /S/ PASCALE DILLON
Name: Pascale Dillon
Title: Director

MVCO SERIES LLC

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

EXHIBIT A

DEFINITIONS

When used in this Agreement the following terms have the meanings indicated:

"AAA Rules" has the meaning set forth in Section 22.4.A.

"Accounting Period" means any four (4) week period having the same beginning and ending dates as Licensee's four (4) week accounting periods (except that an Accounting Period may occasionally contain five (5) weeks when necessary to conform Licensee's accounting system to the calendar). Licensee shall have the right, at its discretion, to modify the definition of Accounting Period to mean any one of the twelve (12) calendar months in a calendar year or such other period of time as is consistent with the accounting periods that Licensee may implement, from time to time with respect to the Licensed Business.

"Affected Services" has the meaning set forth in Section 11.2.C.

"Affiliate" means, for any Person, a Person that is directly (or indirectly through one or more intermediaries) Controlling, Controlled by, or under common Control with such Person.

"Agreed Territorial Protections" has the meaning set forth in Section 5.7.A.

"Agreement" means this License Agreement, including any exhibits, attachments, and addenda.

"Applicable Law" means all laws, regulations, ordinances, rules, orders, decrees, and requirements of any governmental authority having jurisdiction over the Licensed Business or over the Projects, the Sales Facilities, Licensee, Guarantor, Licensor or this Agreement.

"Available Net Assets" shall mean, with respect to any Person, the amount, as of the respective date of calculation, by which the sum of such Person's assets (including subrogation, indemnity, contribution, reimbursement and similar rights that such Person may have, but excluding any such rights in respect of the Guarantor Obligations), determined on the basis of a "fair valuation" or their "fair saleable value" (whichever is the applicable test under Section 548 and other relevant provisions of the Bankruptcy Code and the relevant state fraudulent conveyance or transfer laws), is greater than the amount that will be required to pay all of such Person's debts, in each case matured or unmatured, contingent or otherwise, as of the date of calculation, but excluding liabilities arising under the Guaranty set forth in Section 28. of this Agreement and excluding, to the maximum extent permitted by Applicable Law with the objective of avoiding rendering such Person insolvent, liabilities subordinated to the Obligations arising out of loans or advances made to such Person by any other Person.

"Base Royalty" means fifty million dollars ($50,000,000) per calendar year, which amount shall be adjusted by fifty percent (50%) of the GDP Deflator every 5 calendar years, compounded annually, starting the fifth (5th) anniversary of the Effective Date.

"Brand Loyalty Programs" means the programs generally used for MHR Hotels that are designed to increase brand loyalty (and consequently market share, length of stay and frequency of usage of such hotels and other branded and affiliated products), and/or any similar, complementary, or successor program. As of the Effective Date, such programs include "Marriott Rewards".

"Brand Standards" means the Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program (including the Quality Assurance Audit System and the Customer Satisfaction System), as of the Effective Date and as thereafter modified, amended or supplemented in accordance with Section 7.2. The Brand Standards also include Licensor's brand standards for the Upscale Brand Segment and Upper-Upscale Brand Segment of Licensor Lodging Facilities, which include, without limitation, standards and specifications related to health, fire and life safety, security and terrorism standards, the bedding package, customer accessible high speed internet access, Electronic Systems Standards, standards related to transient rentals, standards related to food and beverage services and outlets, but only to the extent applicable to the Licensed Business and with appropriate modifications to reflect appropriate differences between hotel service levels and service levels applicable to the Licensed Destination Club Business and the License Whole Ownership Residential Business. The Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program will be set forth on Licensee's intranet site. All other Brand Standards will be set forth on Licensor's intranet site. The Brand Standards may be in paper or in electronic form.

"Brand Style and Communications Standards" means those standards related to use, style, and presentation of the Licensed Marks and other communications regarding the Licensed Business as set forth in the Brand Style and Communications Standards document as it exists on the Effective Date, as they may be modified pursuant to Section 7.2.

"Branded Elements" means (i) the Brand Loyalty Programs or successor thereto, (ii) Licensor-owned or -controlled branded elements of the Reservation System, (iii) Licensor-owned or -controlled branded elements of Licensor's website, marriott.com, or any additional pages or sites within marriott.com, (iv) use of the Brand Loyalty Programs member lists, (v) access to MHR Hotels, JW Marriott Hotels and Resorts, Renaissance Hotels and Resort, and Courtyard by Marriott Hotels for marketing of Destination Club Products, and (vi) access to MHR Hotels, JW Marriott Hotels and Resorts, Renaissance Hotels and Resort, and Courtyard by Marriott Hotels as an ancillary benefit exchange option for Destination Club Products. Notwithstanding the foregoing, the platform, infrastructure, coding, and non-customer facing elements of the Brand Loyalty Programs, the Reservation System, and the Licensor website(s) shall not be considered "Branded Elements" for purposes of this Agreement.

"Business Changes" has the meaning set forth in Section 11.2.C.

"Case Goods" means furniture and fixtures used in the Projects and their Public Facilities, such as chests, armoires, chairs, beds, headboards, desks, tables, television sets, mirrors, pictures, wall decorations, graphics and all other unspecified items of the same class.

"Change in Control" shall be deemed to have occurred when (i) any "person" or "group" (as such terms are used in Sections 13(e) and 14(d) of the Securities Exchange Act), other than a Significant Shareholder or a "group" of Significant Shareholders, acquires beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act) of, or the power to exercise, directly or indirectly, effective control for any purpose over, shares representing more than (A) fifteen percent (15%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is then a publicly traded company or (B) thirty percent (30%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is not then a publicly traded; (ii) the stockholders of Licensee approve any plan or proposal for the liquidation, dissolution or winding up of Licensee; (iii) the earlier of (A) the date Licensee (x) consolidates with or merges into any other Person or any other Person merges into Licensee unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the

outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction, or (y) conveys, transfers or leases all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company) or (B) the date the stockholders of Licensee approve a definitive agreement to (x) consolidate Licensee with or merge Licensee into any other Person unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction or (y) convey, transfer or lease all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company); or (iv) Continuing Directors do not at any time constitute a majority of the Board of Directors of Licensee (or, if applicable, a successor corporation to Licensee).

"Changes" has the meaning stated in Section 13.4.B.

"Co-Located Hotel" has the meaning set forth in Section 5.4.A.

"Co-Located Licensor Lodging Facility" has the meaning set forth in Section 5.6.

"Continuing Director" means at any date a member of Licensee's Board of Directors (i) who was a member of such board on the Effective Date or (ii) who was nominated or elected by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to Licensee's Board of Directors was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or such lesser number comprising a majority of a nominating committee if authority for such nominations or elections has been delegated to a nominating committee whose authority and composition have been approved by at least a majority of the directors who were Continuing Directors at the time such committee was formed.

"Competing Entities" has the meaning stated in Section 9.1.F.

"Condominium Hotel" means a hotel in which the guest rooms may be placed in a rental pool or rental program and some or all of the guest rooms are financed by virtue of a lease, whole ownership condominium regime, strata title, or any similar regime. Licensed Residential Projects operating under the "Grand Residences by Marriott" or "Ritz-Carlton Residences" names shall not be deemed to be Condominium Hotels for the purposes of this Agreement.

"Control" (and any form thereof, such as "Controlling" or "Controlled") means, for any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

"Controlled Property Owners' Association" means a Property Owners' Association that is controlled by Licensee or one of its Affiliates.

"Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers, mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data.

"Customer Satisfaction System" means the mechanism used by Licensee to administer and compile customer satisfaction data to measure different aspects of the customer experience, including product, sales and Member services, as of the Effective Date as it may be modified pursuant to Section 7.2. As of the Effective Date, the Customer Satisfaction System consists of the Guest Satisfaction Survey Program, the Owner Satisfaction Survey Program, and the Sales and Marketing Satisfaction Program.

"CSS Measurement Period" means the time period set forth in the Customer Satisfaction System used for measuring customer satisfaction under the Customer Satisfaction System.

"Data Protection Laws" means data protection and privacy laws and regulations under Applicable Law.

"Deficiency" has the meaning set forth in Section 8.4.C.

"Deflag" or "Deflagging" means (i) with respect to a Project, when a Project has been removed from the System and is no longer operating under the Licensed Marks, (ii) with respect to a Non-Site Specific Destination Club Ownership Vehicle, when a Non-Site Specific Destination Club Ownership Vehicle has been removed from the System and is no longer operating as part of a Licensed Non-Site Specific Destination Club Program or under the Licensed Marks, and (iii) with respect to a Licensor Lodging Facility, when a Licensor Lodging Facility has been removed from the applicable system of Licensor Lodging Facilities and is no longer operating under any of the Proprietary Marks.

"Design Guide" means the guide that comprises the standards necessary for planning, constructing, renovating, and refurbishing Projects, including site plans, architectural, mechanical, electrical, civil engineering, landscaping, and interior design, as set forth in the Design Guide document as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Design Review Addendum" means the Design Review Addendum attached to this Agreement as Exhibit G, which is incorporated by reference in this Agreement.

"Destination Club Business" means the business of (i) developing and operating Destination Club Projects; (ii) developing, selling, marketing, managing, operating and financing Destination Club Products and Destination Club Units; (iii) developing, selling, marketing and operating Exchange Programs; (iv) managing rental programs associated with Destination Club Products; (v) establishing and operating sales facilities for Destination Club Products; (vi) managing the Member services related to Destination Club Products; and (vii) managing or operating the amenities of Destination Club Projects (e.g., country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Destination Club Projects, and businesses that are ancillary to the foregoing activities (e.g. travel insurance), all of which are associated with Destination Club Products.

"Destination Club Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Destination Club Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Destination Club Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A Person that has an interest in a Destination Club Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Destination Club Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Destination Club Competitor for purposes of this Agreement.

"Destination Club Competitor Brand" means a branded Destination Club Business chain with both (i) one thousand (1,000) or more Destination Club Units and (ii) ten (10) or more Destination Club Projects; provided, however, that Destination Club Competitor Brand shall not include a branded Destination Club Business created or developed by Licensee or its Affiliates.

"Destination Club Project" means a project that includes Destination Club Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in such improvements at the site of the project.

"Destination Club Royalty Fees" has the meaning stated in Section 3.1.A.

"Destination Club Products" means timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, points club, and other forms of products, programs and services, in each case wherein purchasers acquire an ownership interest, use right or other entitlement to use one or more of certain determinable overnight accommodations and associated facilities in a system of units and facilities on a recurring, periodic basis and pay for such ownership interest, use right or other entitlement in advance (whether payments are made in lump-sum or periodically over time), and associated Exchange Programs.

"Destination Club Unit" means a physical unit used for overnight accommodation as part of a Destination Club Product.

"Dispute" means any dispute, controversy, or claim arising out of or relating to this Agreement, or the making, breach, termination, or invalidity of this Agreement, or the relationship created thereby.

"Effective Date" has the meaning stated in the preamble to this Agreement.

"Electronic Systems" means all Software, Hardware and all electronic access to Licensor's systems and data, licensed or made available to Licensee relating to the System, including the Reservation System and any other system established under Section 10.

"Electronic Systems License Agreement" means the electronic systems license agreement that will be executed by Licensee as a condition to using the Electronic Systems.

"Electronic Systems Standards" means Licensor's standards, policies, procedures, guidelines and practices with respect to (i) systems that interface with Licensor's Electronic Systems, (ii) information technology and systems that store or transmit Licensor Confidential Information, and (iii) data security and privacy and compliance with Data Protection Laws as applicable to the systems and information technology referred to in clauses (i) and (ii) in this definition, in each case as updated from time to time.

"Employee Benefits Allocation Agreement" means the Employee Benefits and Other Employment Matters Allocation Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Exchange Program" means any method, arrangement, program or procedure for the voluntary exchange by Members of the right to use and occupy Destination Club Units for the right to use, occupy or benefit from other accommodations, facilities, programs or services.

"Excluded Area" means any countries and jurisdictions in which Licensor does not own a trademark registration for an applicable Licensed Mark, whether due to a prior third party registration or application or use of a conflicting mark or for other reasons, and includes any Unregistered Areas.

"Existing Golf Facilities" means the golf courses, facilities and services managed and operated by Licensee as of the Effective Date as set forth in Exhibit I.

"Existing Projects" means the Licensed Destination Club Projects and the Licensed Residential Projects that are existing and in operation or that have been approved by Licensor as of the Effective Date as set forth in Exhibit B.

"Expert" shall mean an independent, nationally or internationally recognized consulting firm or individual having a minimum of ten (10) years of international experience in the timeshare and lodging industry and qualified to resolve the issue in question, provided that an Expert shall not include any individual who is, as of the date of appointment or within six (6) months prior to such date, employed either directly or indirectly as a consultant in connection with any other matter, by a party (or its Affiliates) seeking to appoint such person.

"Extension Term" has the meaning set forth in Section 4.2.

"Extraordinary Event" means any of the following events, regardless of where they occur or their duration: acts of nature (including hurricanes, typhoons, tornadoes, cyclones, other severe storms, winds, lightning, floods, earthquakes, volcanic eruptions, fires, explosions, disease, or epidemics); fires and explosions caused wholly or in part by human agency; acts of war or armed conflict; riots or other civil commotion; terrorism (including hijacking, sabotage, chemical or biological events, nuclear events, disease-related events, bombing, murder, assault and kidnapping), or the threat thereof; strikes or similar labor disturbances; embargoes or blockades; shortage of critical materials or supplies; action or inaction of governmental authorities that have an impact upon the Licensed Business, excluding, however, general economic and/or market conditions not caused by any of the events described herein.

"Faldo Contract" has the meaning set forth in Section 1.B.

"Faldo Marks" means the names, marks and other intangible property used solely for the operation of Faldo Golf Facilities pursuant to the Faldo Contract as of the Effective Date or thereafter, including without limitation the registrations for marks containing the Faldo name and the Faldo logo to be assigned by Licensor pursuant to Section 1.B. The Faldo Marks do not include the name or mark "Marriott" or any other Proprietary Marks.

"Faldo Golf Facilities" means golf facilities that operate under the Faldo Marks located on sites at or adjacent to Projects.

"Frequent Traveler Program" See definition of Brand Loyalty Program.

"GDP Deflator" means the "Gross Domestic Product Implicit Price Deflator" issued from time to time by the United States Bureau of Economic Analysis of the Department of Commerce, or if the aforesaid GDP Deflator is not at such time so prepared and published, any comparable index selected by Licensor and reasonably satisfactory to Licensee (a "Substitute Index") then prepared and published by an agency of the government of the United States, appropriately adjusted for changes in the manner in which such index is prepared and/or year upon which such index is based. Any dispute regarding the selection of the Substitute Index or the adjustments to be made thereto shall be settled by a panel of three (3) Experts in accordance with Section 22.5. Except as otherwise expressly stated herein, whenever a

number or amount is required to be "adjusted by the GDP Deflator," or similar terminology, such adjustment shall be equal to the percentage increase or decrease in the GDP Deflator which is issued for the month in which such adjustment is to be made (or, if the GDP Deflator for such month is not yet publicly available, the GDP Deflator for the most recent month for which the GDP Deflator is publicly available) as compared to the GDP Deflator which was issued for the month in which the Effective Date occurred.

"Gross Commissions" means the gross commissions paid or to be paid to Licensee or its Affiliates in connection with the initial sale or re-sale by Licensee or its Affiliates on behalf of third parties of interests held by such third parties in Licensed Destination Club Units or in Licensed Residential Units (without deduction for any costs or Taxes). For the avoidance of doubt, Gross Commissions exclude maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases.

"Gross Sales Price" means the gross sale price paid or to be paid to Licensee or its Affiliates for the initial sale or re-sale of interests held by Licensee or its Affiliates in Licensed Destination Club Units or in Licensed Residential Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle (without deduction for any transaction costs including brokerage commissions and expenses, but less applicable Taxes paid by Licensee or its Affiliates or gross up for Taxes paid by purchasers, in each case assessed with respect to such sale or re-sale transaction (and not on the basis of income)), regardless of whether any part thereof is financed by Licensee or any third party. For the avoidance of doubt, the Gross Sales Price excludes maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases. To the extent that interests in Licensed Destination Club Units are used as consideration, in whole or in part, for the purchase of interests in other Licensed Destination Club Units, then the value ascribed to such interests shall be the list price of the acquired interests, less any applicable discount.

"Guarantor" means individually and collectively the Person(s) who guarantee(s) the performance of Licensee's obligations under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum under the Guaranty.

"Guarantor Obligations" has the meaning set forth in Section 28.3.

"Guaranty" means the guaranty set forth in Section 28.

"Hardware" means all computer hardware and other equipment (including all future upgrades, enhancements, additions, substitutions, and other modifications thereof) required for the operation of and connection to any Electronic System.

"Hilton Brand" means any brand owned or controlled by Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Hilton Brands include Waldorf Astoria Hotels and Resorts, Conrad Hotels and Resorts, Hilton Hotels and Resorts, Doubletree by Hilton, Embassy Suites, Hampton, Home2, and Hilton Grand Vacations.

"Illegal Facilities" has the meaning set forth in Section 9.1.G.

"Initial Term" has the meaning set forth in Section 4.1.

"Interest Rate" means the lesser of: (i) LIBOR plus 800 basis points; or (ii) the maximum rate permitted by applicable usury laws.

"Leisure/Vacation Product" means a product designed and intended primarily for leisure and vacation travelers and uses, which may include limited meeting space or multipurpose rooms or facilities designed for internal use by Licensee and its Affiliates or use by small groups or for Property Owners' Associations meetings, as well as certain customary business amenities typically found at leisure hotels, such as high-speed internet access, business services centers and fax machines. For the avoidance of doubt, the following intended uses are consistent with a Leisure/Vacation Product: recreational, social, educational or other affinity group events, meetings or classes (such as cooking classes and educational seminars); family reunions; the conducting of business during leisure and vacation stays; and the fact that some customers may purchase and use Destination Club Products primarily for business purposes, especially in urban locations such as Boston or London. A Leisure/Vacation Product does not include a product designed and intended primarily for business travelers or for group, meeting, association or convention business.

"LIBOR" means the rate per annum for deposits in U.S. dollars for a one (1) month period appearing on that page of the Bloomberg's Report which displays British Banker's Association Interest Settlement Rates for deposits in U.S. dollars (or if such page or service shall cease to be available, such other page on that service or such other service designated by the British Banker's Association for the display of such Association's Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) on the first business day of each month.

"Licensed Business" means, collectively, the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business operated under the Licensed Marks and the System pursuant to this Agreement.

"Licensed Business Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers (including all Members and their family members), mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data, in each case in whatever form and to the extent such information (i) was in Licensee's possession as of the date of the Spin-Off Transaction, (ii) obtained by Licensee in connection with the Licensed Business on or after the date of the Spin-Off Transaction (including directly or indirectly obtained from Licensor or its Affiliates or by or through the Brand Loyalty Program), or (iii) any Modified Third-Party List.

"Licensed Destination Club Business" means the Destination Club Business operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" and the System and using other Licensed Marks, all pursuant to this Agreement. The Licensed Destination Club Business does not include the business of managing or franchising hotels, other overnight lodging accommodation products offered for transient rental, except as specifically provided in Section 9.2, or any Condominium Hotel. The Licensed Destination Club Business licensed hereunder also excludes any passenger cruise ship or cruise line interests, usage rights, products or services; provided, however, that Licensee shall have the right to include as part of the Licensed Destination Club Business Destination Club Units on passenger cruise ships approved by Licensor as to quality, services and brand positioning, using the Licensed Marks (provided that the number of units on each such passenger cruise ship shall not exceed 20 units), and Licensee shall have the right to offer usage rights on third party passenger cruise ships through an Exchange Program associated solely with Licensed Destination Club Products provided to Members.

"Licensed Destination Club Products" means Destination Club Products existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Licensed Destination Club Products shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2.

"Licensed Non-Site Specific Destination Club Program" means a Non-Site Specific Destination Club Program operating under the Licensed Marks. As of the Effective Date, the Licensed Non-Site Specific Destination Club Programs include the "Marriott Vacation Club Destinations" program and the "Marriott Vacation Club – Asia Pacific" program.

"Licensed Destination Club Projects" means Destination Club Projects existing as of the Effective Date or to be developed in future, and which are marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Licensed Destination Club Projects shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2. Where the Licensed Destination Club Project is limited to Licensed Destination Club Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Licensed Destination Club Project shall refer only to such Licensed Destination Club Units, and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality that is comparable to that required of Licensed Destination Club Projects generally under this Agreement.

"Licensed Destination Club Units" means Destination Club Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Marriott Vacation Club" and/or "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement.

"Licensed Domains" has the meaning stated in Section 13.4.B. The Licensed Domains include the Licensed Project Domains.

"Licensed Marks" means (i) (a) the name and mark "Marriott" solely as used in the names and marks "Marriott Vacation Club" and "Grand Residences by Marriott", in the corporate name "Marriott Vacations Worldwide", in the Permitted Licensee Affiliate Names, and in the domain names documented by the parties, and the name and mark "Marriott's" solely as used in the name of Projects, but not the name "Marriott" or "Marriott's" used by itself or with other words, terms, designs or other elements, and (b) the Licensed Project Names; (ii) the trademark "Marriott" in stylized script format solely as used in the names and marks "Marriott Vacation Club" and "Marriott Vacation Club International" but not to be used by itself or with other words, terms, designs, or other elements; (iii) the Sun Logo used in association with Marriott Vacation Club; (iv) the Sun and Moon Logo used in association with Marriott Vacation Club International; (v) the name and mark "Marriott" solely as used in the name and mark "Marriott Golf" pursuant to the terms set forth in Section 1.B., but not the name "Marriott" used by itself or with other words, terms, designs or other elements; and (vi) certain specified additional names and marks on an exclusive or non-exclusive basis that Licensor may specify in writing from time to time. The Licensed Marks shall not include other hotel brands or marks or other marks owned by Licensor or its Affiliate. The Licensed Marks do not include the Licensee Marks.

"Licensed Project Domains" means the domain names that contain, reference, or are comprised of the Licensed Project Names.

"Licensed Project Names" means the components of the full name and mark for one or more individual Projects, but excluding the names and marks "Marriott" or "Marriott's" in any form. For example, "Cypress Harbour" would constitute the Licensed Project Name for a Project with respect to which the full name is "Marriott's Cypress Harbour". Notwithstanding the foregoing, the Licensed Project Names do not include the name and mark "Kauai Lagoons" and the related design mark, which shall be assigned by Licensor or its Affiliate to Licensee and be a Licensee Mark.

"Licensed Residential Projects" means Residential Projects existing as of the Effective Date or to be developed in the future, and which are marketed, developed, and/or operated under the name "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement. Where the Licensed Residential Project is limited to Licensed Residential Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Licensed Residential Project shall refer only to such Licensed Residential Units, and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality that is comparable to that required of Licensed Residential Projects generally under this Agreement.

"Licensed Residential Units" means Residential Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Grand Residences by Marriott" or the System or using other Licensed Marks, all pursuant to this Agreement.

"Licensed Services" means timeshare and/or residential services, including development, marketing, sales, financing and management activities related to timeshare and residential services.

"Licensed Whole Ownership Residential Business" means the Whole Ownership Residential Business operated under (i) the name "Grand Residences by Marriott", and (ii) the System and other Licensed Marks, all pursuant to this Agreement.

"Licensee" has the meaning stated in the preamble to this Agreement.

"Licensee Confidential Information" means any confidential information, knowledge, trade secrets, business information, operating procedures and know-how that are not included in the Brand Standards, which is identified in writing as confidential and is proprietary to Licensee or its Affiliates. Licensee Confidential Information does not include any Licensor Confidential Information, or Licensor Intellectual Property. Additionally, Licensee Confidential Information shall not include information that Licensor can demonstrate was, at the time of disclosure by Licensee to Licensor, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensee Intellectual Property" means (i) the Licensee Marks, (ii) the Faldo Marks, and (iii) all other intangible property used by Licensee in connection with the Licensed Business, including trade secrets, customer lists, operating procedures and know-how that are not included in the Brand Standards, copyrights and copyrightable materials, patents, and online locators (including the vacationclub.com domain name and other domain names (including domain names assigned by Licensor or its Affiliates to Licensee), email addresses, metatags, screen names, and social networking names) that do not comprise or contain any of the Licensed Marks, provided, the Licensee Intellectual Property does not include any of the Licensor Intellectual Property.

"Licensee Marks" means all trademarks, service marks, trade names, symbols, emblems, logos, insignias, slogans and designs and other indicia of origin (including restaurant names, lounge names, and other outlet names) which are currently exclusively used to identify or are otherwise used in connection with the Licensed Business (and not in any of Licensor's or its Affiliates' other businesses) (whether registered or unregistered, and whether used alone or in connection with any other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans, and designs) other than the Licensed Marks and other than any marks or names that contain the word "Marriott" or other Licensor Intellectual Property. The Licensee Marks include the name and mark "Horizons" and the name and mark "Grand Residences"and all trademarks and names assigned by Licensor to Licensee under Section 13.7.A. The Licensee Marks do not include any of the Proprietary Marks.

"Licensee's Website" has the meaning stated in Section 13.4.

"Licensor" means, collectively, Marriott International, Inc. and Marriott Worldwide Corporation and their successors and assigns.

"Licensor Confidential Information" means: (i) the Brand Standards, including the Brand Standards for the design, construction, renovation or operation of the Projects; (ii) Electronic Systems and accompanying documentation developed for the System or elements thereof; (iii)Licensed Business Customer Information; or (iv) any confidential information, knowledge, trade secrets, business information or know-how identified as confidential obtained from Licensor or its Affiliates (a) through the use of any part of the System or concerning the System or the operation of the Licensed Business and the Projects or (b) under any Transaction Agreements. Licensor Confidential Information does not include any Licensee Confidential Information or Licensee Intellectual Property. Additionally, Licensor Confidential Information shall not include information that Licensee can demonstrate was, at the time of disclosure by Licensor to Licensee, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensor Faldo Services" has the meaning set forth in Section 1.B.

"Licensor Intellectual Property" means (i) the Licensed Marks, and (ii) all other intangible property licensed to Licensee for use in connection with the Licensed Business, including trade secrets, Licensed Business Customer Information, Brand Standards, know-how, copyrights and copyrightable materials, and online locators that comprise or contain any of the Licensed Marks (including domain names, email addresses, metatags, screen names and social networking names), provided, the Licensor Intellectual Property does not include any of the Licensee Intellectual Property.

"Licensor Lodging Facilities" means all hotels and other lodging facilities, chains, brands, or hotel systems owned, leased, under development, or operated or franchised, now or in the future, by Licensor or any of its Affiliates, including: (i) Marriott Hotels, Resorts and Suites; Marriott Marquis Hotels; JW Marriott Hotels and Resorts; Marriott Conference Centers; Marriott Executive Apartments; Courtyard by Marriott Hotels; Fairfield Inn by Marriott Hotels; Fairfield Inn & Suites by Marriott Hotels; Nickelodeon Resorts by Marriott; Renaissance Hotels and Resorts; Renaissance ClubSport; Autograph Collection Hotels; Residence Inn by Marriott Hotels; Bvlgari Hotels and Resorts; Edition Hotels; Ritz-Carlton Hotels and Resorts; SpringHill Suites by Marriott Hotels; TownePlace Suites by Marriott Hotels; and AC Hotels by Marriott; (ii) other lodging products or concepts, including Marriott ExecuStay; JW Marriott Residences; Marriott Marquis Residences; and (iii) any other lodging product or concept developed or utilized by Licensor or any of its Affiliates in the future.

"Licensor Management Agreement" has the meaning set forth in Section 8.3.B.

"Licensor Managed Projects" has the meaning set forth in Section 8.3.B.

"Licensor Usage Fees" means the fees for use of Licensor's or its Affiliates' Electronic Systems and other systems, copyrights and other materials, including, without limitation, the Reservation System Fee and the fees for any other system established under Section 10.

"Lodging Business" means the business of developing, promoting, constructing, owning, leasing, acquiring, financing, managing, and/or operating, or authorizing or otherwise licensing or franchising to other Persons the right to develop, promote, construct, own, lease, acquire, finance, manage and/or operate, hotels, resorts, corporate housing, serviced apartments, or other transient or extended stay lodging facilities, including Condominium Hotels, but does not include activities included in the term Destination Club Business or Whole Ownership Residential Business.

"Lodging Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Lodging Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Lodging Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A Person that has an interest in a Lodging Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Lodging Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Lodging Competitor for purposes of this Agreement.

"Lodging Competitor Brand" means (i) a branded full service or luxury hotel chain with both (x) four thousand (4,000) or more rooms and (y) twenty (20) or more hotels or (ii) a branded select service or extended stay hotel chain with both (x) ten thousand (10,000) or more rooms and (y) fifty (50) or more hotels; provided, however, that Lodging Competitor Brand shall not include a branded hotel chain created or developed by Licensee or its Affiliates.

"Logoed Merchandise" has the meaning stated in Section 9.1.G.

"Management Company" has the meaning stated in Section 8.3.

"Management Company Acknowledgment" means an acknowledgment signed by the Management Company, Licensee and Licensor, the current form of which is attached hereto as Exhibit C.

"Marketing Content" means all advertising, marketing, promotional, sales and public relations concepts, press releases, materials, copy, concepts, plans, programs, seminars, brochures, directories, and sales and marketing campaigns or other information to be released to the public, whether in paper, digital, electronic or computerized form, or in any form of media now or hereafter developed.

"Marriott Family Member" means J.W. Marriott, Jr., Richard E. Marriott, any brother or sister of J.W. Marriott, Sr., any children or grandchildren of any of the foregoing, any spouses of any of the foregoing, or any trust or other entity established primarily for the benefit of one or more of the foregoing.

"Maximum Available Net Assets" shall mean, with respect to any Person, the greatest of the Available Net Assets of such Person calculated as of the following dates: (A) the Effective Date, and (B) each date on which such Person expressly reaffirms the Guaranty set forth in Section 28 of this Agreement.

"Member" means (i) an owner of a timeshare, fractional, or interval ownership interest, use right or other entitlement to use a Destination Club Unit or (ii) an owner of an interest in a Residential Unit.

"Member Service Center" means a facility at which Licensee provides Members with off-site services with respect to their use and enjoyment of interests in Licensed Destination Club Products.

"MHR Hotel" means a full-service hotel operated by Licensor, an Affiliate of Licensor, or a franchisee or licensee of Licensor or its Affiliates under the trade name Marriott Hotel, Marriott Resort, Marriott Suites Hotel, or Marriott Marquis Hotel, and does not include any other Licensor Lodging Facility or other business operation.

"Minimum Customer Satisfaction Score" means the minimum score that Projects are required to meet and maintain for customer satisfaction under the Customer Satisfaction System.

"Modified Third-Party List" has the meaning set forth in Section 9.1.E.

"Negotiation Opportunity Notice" has the meaning stated in Sections 5.4.A. and 5.6.

"New Licensee Programs" has the meaning stated in Section 9.5.B.

"New Project Application" has the meaning stated in Section 5.2.A.

"New Projects" means Licensed Destination Club Projects and Licensed Residential Projects that are not in existence or operating as of the Effective Date but that are subsequently developed and operated pursuant to the terms and conditions of this Agreement.

"Noncompetition Agreement" has the meaning stated in Section 2.1.

"Non-Controlled Property Owners' Association" means a Property Owners' Association that is not controlled by Licensee or one of its Affiliates.

"Non-Renewal Agreement" has the meaning stated in Section 18.1.A(ii).

"Non-Site Specific Destination Club Ownership Vehicle" means an ownership vehicle (such as a trust or property owning company) that (i) holds interests in Destination Club Units and (ii) is included as part of a Non-Site Specific Destination Club Program.

"Non-Site Specific Destination Club Program" means a program under which purchasers acquire an ownership interest, use right or other entitlement to use a system of Destination Club Projects.

"Obligations" has the meaning set forth in Section 28.1.

"Offering Documents" has the meaning stated in Section 9.1.B.

"Operational Brand Standards" means those standards related to marketing and sales operations, Member services, and Project operations, as set forth in the following documents as they exist on the Effective Date, as they may be modified pursuant to Section 7.2: (i) Owner Services Brand Standards; (ii) Resort Operations Brand Standards; and (iii) Marketing and Sales Operations Brand Standards.

"Other Mark(s)" means any trademark, trade name, symbol, slogan, design, insignia, emblem, device, or service mark that is not a Licensed Mark or a Faldo Mark.

"Ownership Interest" means all forms of ownership of legal entities or property, both legal and beneficial, voting and non-voting, including stock interests, partnership interests, limited liability company interests, joint tenancy interests, leasehold interests, proprietorship interests, trust beneficiary interests, proxy interests, power-of-attorney interests, and all options, warrants, and any other forms of interest evidencing ownership or Control.

"Payment Obligations" has the meaning set forth in Section 3.8.A.

"Permitted Corporate Name" has the meaning set forth in Section 13.2.A(3).

"Permitted Licensee Affiliate Names" means the names of certain of Licensee's Affiliates set forth on Exhibit J.

"Permitted Territorial Restrictions" has the meaning set forth in Section 5.7.B.

"Person" means an individual; legal entity such as a partnership, trust, corporation, limited liability company; a government; an unincorporated organization; or any other legal entity of any kind.

"Personally Identifiable Information" means any information that can be associated with or traced to any individual, including an individual's name, address, telephone number, e-mail address, credit card information, social security number, or other similar specific factual information, regardless of the media on which such information is stored (e.g., on paper or electronically) and that is generated, collected, stored or obtained as part of this Agreement or in connection with the Licensed Business, including transactional and other data pertaining to users.

"Projects" means the Existing Projects and the New Projects.

"Property Owners' Association" means an association of owners of interests in Licensed Destination Club Units, in Licensed Residential Units, or in a Licensed Non-Site Specific Destination Club Program.

"Proprietary Marks" means the Licensed Marks, the Licensor Intellectual Property, and any other intangible property, trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including restaurant names, lounge names, or other outlet names), or combinations thereof, that are owned or registered by Licensor or any of its Affiliates, or are used to identify or are otherwise associated by virtue of usage with the System, all as may be changed, deleted, added to or otherwise modified by Licensor or its Affiliates. The Proprietary Marks may be owned currently by Licensor or any of its Affiliates or later developed or acquired, and may or may not be registered or applied for in any jurisdiction. The Proprietary Marks do not include any Licensee Marks or Licensee Intellectual Property.

"Public Facilities" means any meeting rooms, conference rooms, restaurants, bars, lounges, pools, recreation facilities, lobby areas, and all other similar public facilities.

"Purchase Contract" has the meaning set forth in Section 3.1.C.(ii).

"Quality Assurance Audit System" means the process utilized by Licensee to measure the quality and performance of operations at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Quality Assurance Program" means the quality assurance program used by Licensee to monitor customer satisfaction and the operations, facilities and services at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2. The Quality Assurance Program includes the Customer Satisfaction System and the Quality Assurance Audit System.

"Registrar" has the meaning stated in Section 13.4.B.

"Remediation Arrangement" means an arrangement agreed to by Licensor and Licensee under which, as applicable, Licensee agrees to (and completes) the cure of any material noncompliance with this Agreement or the Brand Standards or Licensor agrees to (and completes) the cure of any material failure to comply with Licensor's material obligations under this Agreement. Such Remediation Arrangement shall provide (i) reasonable opportunities for the parties to consult with each other or their respective Affiliates with respect to the appropriate cure for such noncompliance and (ii) for reasonable time periods for Licensee or Licensor, as applicable, to diligently pursue and cure such noncompliance, and the period to cure under the Remediation Arrangement shall not exceed one (1) year unless otherwise agreed by the parties.

"Reservation System" means any reservation system designated by Licensor for use by MHR Hotels (including all Software, Hardware and electronic access related thereto).

"Reservation System Fee" means the fee Licensee must pay to Licensor representing Licensee's share of the costs and expenses of the Reservation System, including development and incremental operating costs, ongoing maintenance, field support costs, and a reasonable return on capital.

"Residential Project" means a project that includes Residential Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in the Public Facilities of such improvements at the site of the project.

"Residential Royalty Fees" has the meaning stated in Section 3.1.B.

"Residential Units" means whole ownership residential units, including single family homes, condominium units, or other housing units which are owned on a whole (not fractional) ownership basis.

"Rewards Agreement" means the Marriott Rewards Affiliation Agreement between Marriott International, Inc., Marriott Rewards, LLC, Marriott Vacations Worldwide Corporation, and Marriott Ownership Resorts, Inc. regarding the Brand Loyalty Program entered into in connection with the Spin-Off Transaction.

"Ritz-Carlton Licensed Business" means the Destination Club Business and Whole Ownership Residential Business of Licensee that is licensed to use the "Ritz-Carlton" name and mark pursuant to the Ritz-Carlton License Agreement.

"Ritz-Carlton License Agreement" has the meaning set forth in Recital G.

"Royalty Fees" means, collectively, the Destination Club Royalty Fees and the Residential Royalty Fees.

"Sales Facilities" means galleries, desks and other physical facilities from which interests in Destination Club Units and/or Residential Units which are part of the Licensed Business are offered and sold to the public.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Separation Plan" has the meaning set forth in Section 9.3.B.

"Service Modifications" has the meaning set forth in Section 11.2.C.

"Services Manual" means the manual under which certain services are provided by Licensor or its Affiliates to Licensee or its Affiliates in accordance with Section 11.2.

"Significant Shareholder" means any Person that is:

(i) either a Marriott Family Member or on the date hereof possesses, directly or indirectly, and such possession has been publicly disclosed, the power to vote 5% or more of the outstanding shares of common stock of the Licensee,

(ii) or hereafter becomes a spouse of or any other relative (by blood, marriage or adoption) of a Person described in clause (i),

(iii) or becomes a transferee of the interests of any of the foregoing Person or Persons by descent or by trust or similar arrangement intended as a method of descent, or

(iv) (x) an employee benefit or stock ownership plan of the Licensee or (y) a grantor trust established for the funding, directly or indirectly, of the Licensee's employee benefit plans and programs.

"Soft Goods" means textile, fabric and vinyl and similar products used in finishing and decorating the Licensed Destination Club Units and the corridors and the Public Facilities of the Projects, such as vinyl wall and floor coverings, drapes, sheers, cornice coverings, carpeting, bedspreads, lamps, lamp shades, artwork, task chairs, upholstery and all other unspecified items of the same class.

"Software" means all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions and other modifications) provided to Licensee by or through Licensor and/or third parties designated by Licensor or its Affiliates required for the operation of and connection to any Electronic System.

"Specially Designated National or Blocked Person" means: (i) a Person designated by the U.S. Department of Treasury's Office of Foreign Assets Control as a "specially designated national or blocked person" or similar status; (ii) a Person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or (iii) a Person otherwise identified by government or legal authority as a Person with whom Licensor, Licensee or any of their Affiliates, are prohibited from transacting business. As of the Effective Date, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

"Starwood Brand" means any brand owned or controlled by Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Starwood Brands include Le Meridien, Westin, The Luxury Collection, aLoft, Four Points, Sheraton, Element by Westin, St. Regis, and W Hotels.

"System" means the Brand Standards, the Licensor Intellectual Property and other distinctive, distinguishing elements or characteristics that Licensor or its Affiliates have developed, designated or authorized for the operation of the Licensed Business and the Projects, including: the Reservation System and other Electronic Systems, the Brand Loyalty Programs, training programs, Licensor websites, and advertising programs, as such may be modified, amended or supplemented in accordance with Section 7.2. The System does not include any of the Licensee Intellectual Property.

"System Removal Agreement" has the meaning stated in Section 18.1.A(ii).

"Tax Sharing and Indemnity Agreement" means the Tax Sharing and Indemnity Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Taxes" means all taxes (including any sales, gross receipts, value-added or goods and services taxes), levies, charges, impositions, stamp or other duties, fees, deductions, withholdings or other payments levied or assessed by any competent governmental authority, including by any federal, national, state, provincial, local, or other tax authority.

"Term" means the Initial Term and the Extension Terms, if any.

"Territory" means the world.

"Third-Party List" has the meaning stated in Section 9.1.E.

"Total Available Net Assets" has the meaning set forth in Section 28.3.

"Transaction Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Transfer" means any sale, conveyance, assignment, exchange, pledge, encumbrance, lease or other transfer or disposition, directly or indirectly, voluntarily or involuntarily, absolutely or conditionally, by operation of law or otherwise.

"Travel Expenses" means all commercially reasonable travel, food and lodging, living, and other out-of-pocket costs and expenses (including, the cost and expense of obtaining any required visas, work permits or similar documentation).

"Undeveloped Parcels" has the meaning stated in Section 5.3.A.

"Unregistered Area" has the meaning stated in Section 13.1.C(2).

"Upscale Brand Segment" and "Upper-Upscale Brand Segment" mean the "upscale" and "upper-upscale" brand segments, respectively, of the hospitality industry as defined by Smith Travel Research (or its successor). If at any time such segments are not then defined by Smith Travel Research (or its successor), then such segments shall be replaced by comparable segments as are then defined by Smith Travel Research (or its successor). In the event Smith Travel Research (or its successor) ceases to define comparable segmentation or in the event that Smith Travel Research (or its successor) ceases to exist, then the parties shall identify a replacement source and a replacement definition of segments comparable to "upscale" and "upper-upscale" as previously defined by Smith Travel Research (or its successor). Any dispute regarding the selection of replacement definitions or sources shall be settled by Expert resolution in accordance with Section 22.5.

"Vulnerable Registrations" has the meaning stated in Section 13.1.C(2).

"Whole Ownership Residential Business" means the business of (i) developing and operating Residential Projects; (ii) developing, selling, marketing, managing, operating and financing Residential Units;(iii) managing rental programs associated with Residential Projects; (iv) establishing and operating sales facilities for Residential Units; (v) managing the owner services related to Residential Units; and (vi) managing or operating the amenities of Residential Projects (e.g. country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Residential Projects and businesses that are ancillary to the foregoing activities, all associated with Residential Projects.

EXHIBIT B

EXISTING PROJECTS

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Grand Residences by Marriott, Bay Point	4000 Marriott Drive Panama City Beach, Florida 32408	Marriott Resorts Hospitality Corporation	Residential
Grand Residences by Marriott, Kauai Lagoons	3325 Holokawelu Way Lihue, Hawaii 96766	Marriott Resorts Hospitality Corporation	Residential
Grand Residences by Marriott, Lake Tahoe	1001 Heavenly Village Way South Lake Tahoe, California 96150	Marriott Resorts Hospitality Corporation	Destination Club Residential
Grand Residences by Marriott—Mayfair-London	47 Park Street, London England W1K 7EB United Kingdom	MGRC Management Limited	Destination Club
Marriott's Aruba Ocean Club	LG Smith Boulevard #99 Palm Beach, Aruba	Marriott Resorts Hospitality of Aruba, N.V.	Destination Club
Marriott's Aruba Surf Club	103 L. G. Smith Boulevard Palm Beach, Aruba	Costa del Sol Development Company, N.V.	Destination Club
Marriott's Barony Beach Club	5 Grasslawn Avenue Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's BeachPlace Towers	21 South Fort Lauderdale Beach Blvd Fort Lauderdale, Florida 33316	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Canyon Villas	5220 E. Marriott Drive Phoenix, Arizona 85054	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Club Son Antem	CTRA MA 19 Salida 20 Llucmajor, 07620 Spain	MVCI Management, S.L.	Destination Club
Marriott's Crystal Shores	600 South Collier Boulevard Marco Island, Florida 34145	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Custom House	3 McKinley Square Boston, Massachusetts 02109	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Cypress Harbour	11251 Harbour Villa Road Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Desert Springs Villas I	1091 Pinehurst Lane Palm Desert, California 92260	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Desert Springs Villas II	1091 Pinehurst Lane Palm Desert, California 92260	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Fairway Villas	500 East Fairway Lane Galloway, New Jersey 08205	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Frenchman's Cove	7338 Estate Bakkeroe St. Thomas 00801 U.S. Virgin Islands	Marriott Ownership Resorts (St. Thomas), Inc.	Destination Club
Marriott's Grand Chateau	75 East Harmon Avenue Las Vegas, Nevada 89109	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Grande Ocean	51 South Forest Beach Drive Hilton Head, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Grande Vista	5925 Avenida Vista Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Marriott's Harbour Lake	7102 Grand Horizons Boulevard Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Harbour Club	144 Light House Road Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Harbour Pointe	4 Shelter Cove Lane Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Heritage Club	18 Light House Road Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Imperial Palm Villas	8404 Vacation Way Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Kauai Beach Club	3610 Rice Street, Kalapaki Beach Lihue, Kauai, Hawaii 96766	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Kauai Lagoons	3325 Holokawelu Way Lihue, Hawaii 96766	Marriott Resorts Hospitality Corporation	Destination Club Residential
Marriott's Ko Olina Beach Club	92-1480 Aliinui Drive Honolulu, Hawaii 96707	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Lakeshore Reserve	11715 Lakeshore Reserve Drive Orlando Florida 32837	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Legends Edge at Bay Point	4000 Marriott Drive Panama City Beach, Florida 32408	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Mai Khao Beach—Phuket	234 Mai Khao Talang Thepsasatri Road Phuket, 83110 Thailand	MVCI Asia Pacific PTE. Limited	Destination Club
Marriott's Manor Club at Ford's Colony	101 St. Andrews Drive Williamsburg, Virginia 23188	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Marbella Beach Resort	Crta. de Cadiz, KM 193 Urb. Marbella del Este Marbella, Malaga 29604 Spain	MVCI Management S.L.	Destination Club
Marriott's Maui Ocean Club	100 Nohea Kai Drive Lahaina, Maui, Hawaii 96761	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Monarch at Sea Pines	91 North Sea Pines Drive Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's MountainSide	1305 Lowell Avenue Park City, Utah 84060	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Mountain Valley Lodge	655 Columbine Drive Breckenridge, Colorado 80424	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Newport Coast Villas	23000 Newport Coast Drive Newport Coast, California 92657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Oceana Palms	3200 North Ocean Drive Riviera Beach, Florida 33404	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Ocean Pointe	71 Ocean Avenue Palm Beach Shores, Florida 33404	Marriott Resorts Hospitality Corporation	Destination Club

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
Marriott's OceanWatch Villas at Grande Dunes	8500 Costa Verde Drive Myrtle Beach, South Carolina 29572	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Phuket Beach Club	230 Moo, Maikhao, Talang Phuket, 83110 Thailand	- MVCI Management (Europe), Limited - Marriott Hotels (Thailand), Limited	Destination Club
Marriott's Playa Andaluza	Ctra. de Cadiz, km 168 Estepona, 29680 Spain	MVCI Management S.L.	Destination Club
Marriott's Royal Palms	8805 World Center Drive Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Sabal Palms	8404 Vacation Way Orlando, Florida 32821	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Shadow Ridge	9003 Shadow Ridge Road Palm Desert, California 92211	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's St. Kitts Beach Club	858 Frigate Bay Road Frigate Bay, Saint Kitts and Nevis	MVCI St. Kitts Company Limited	Destination Club
Marriott's StreamSide at Vail, Birch	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's StreamSide at Vail, Douglas	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's StreamSide at Vail, Evergreen	2284 South Frontage Road Vail, Colorado 81657	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Summit Watch	780 Main Street Park City, Utah 84060	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Sunset Pointe	4 Shelter Cove Lane Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's SurfWatch	10 Fifth Street Hilton Head Island, S. Carolina 29928	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Timber Lodge	4100 Lake Tahoe Boulevard South Lake Tahoe, California 96150	Marriott Resorts Hospitality Corporation	Destination Club
Marriott Vacation Club at The Empire Place	88 Naradhiwas Rajanagarindra Road Sathorn Yannawa, 10120, Thailand	MVCI Asia Pacific PTE. Limited	Destination Club
Marriott Vacation Club at The Buckingham	22652 Rua de Nam Keng Taipa, Macau SAR	MVCI Asia Pacific PTE Limited or Affiliate	Destination Club
Marriott's Village d'lle-de-France	Allee de l'Orme Rond Bailly-Romainvilliers, 77700 France	MVCI Holidays France, S.A.S.	Destination Club
Marriott's Villas at Doral	4101 NW 87th Avenue Miami, Florida 33178	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Waiohai Beach Club	2249 Poipu Road Koloa Kaua'i, Hawaii 96756	Marriott Resorts Hospitality Corporation	Destination Club
Marriott's Willow Ridge Lodge	2921 Green Mountain Drive Branson, Missouri 65616	Marriott Resorts Hospitality Corporation	Destination Club

EXHIBIT B-1

UNDEVELOPED PARCELS

Project / Asset	Inv To be Sold
Abaco, Bahamas	**• Beachfront lots (10.1 Acres) • Ironshore lots (5.6 Acres) • Golf lots (26.0 Acres) • Inland lots (9.6 Acres) • Marles facing land (58.2 Acres)**
Cancun - Caribbean Hotel, MX	**Partially Developed Parcel 6 Acres**
Canyon Villas, Phoenix, AZ	**Phases 6 & 7**
Club Son Antem, Mallorca	**Future Phase Parcels**
Crystal Shores, Marco Island, FL	**Phases 2, 3 & 4**
Disney Plot 1.03, Paris, France	**Undeveloped Parcel 10 Acres**

Project / Asset	Inv To be Sold
Fairway Villas, NJ Seaview Parcels(Original MVCI Parcels)	**<u>Residential</u>** **• House Lot (0.69 acres)• Lot used for Golf (0.58 acres)** **• New Lots on Ridgewood (5.82 acres)** **• New Lot on Seaview (3.44 acres)** **• Residential (45.67 acres)** **• Comm. Carve-out (5.0 acres)** **<u>Timeshare</u>** **• Building G (1.89 acres)** **• Building H (2.12 acres)** **• Building I (2.34 acres)** **• Open & Ops (7.35 acres)**
Fairway Villas, NJ Seaview Parcels(MHS & MI Parcels)	**• Pines 18-hole golf course, driving range, golf shed (159.3 acres)** **• Single Family Lots (49.0 acres)** **• Comm. Parcel (3.4 acres)** **• Wetlands (232.1 acres)**
Frenchman's Cove, St. Thomas	**Phases 6, 7 & 8**

Project / Asset	Inv To be Sold
Grand Bahama, Bahamas	**• Undeveloped Timeshare Parcel (20 Acres) • MVCI Plan = 348 Units** **• Undeveloped Hotel Parcel (10 Acres) • MVCI Plan = 380 rooms**
Grand Chateau, Las Vegas, NV	**Towers 3 & 4, Phases 3 & 4 - Part of 3+ acre site not subdivided**
Grand Vista Sequel (Grand Pines), FLParcel 11	**• Undeveloped Parcel (20 Acres) • MVCI Plan =781 units**
Grand Vista, FL Parcel 15	**Undeveloped Parcel (3 Acres)**
Horizons at Branson, MO	**Phases 12, 13, 14, 15, 16 & 17**

Project / Asset	Inv To be Sold
Horizons at Orlando (Harbour Lake), Orlando, FL	**Phases 4, 5, 6, 7, 8, 9, 10, 11 & 12**
Kauai Lagoons, HI	**• Inn on the Cliffs (22 units)** **• Townhomes (5 units)** **• Makalii Bldg A (37 units)** **• Makalii Bldg B (52 units)** **• Maikalii Bldg C (28 units)** **• Residential Golf Lots (65 lots)** **• MVC T/S (292 units)** **• MVC T/S Sequel (193 units)** **• Affordable Housing (31 units)** **• Golf Course, Restaurant & Golf Clubhouse**
Ko Olina, HI	**Phases 6 & 7**
Lakeshore Reserve (Grand Lakes) Orlando, FL	**Phases 2, 3, 4, 5 & 6**
Mirasol **Singer Island, FL**	**Undeveloped Parcel (2.9 Acres)**
Playa Andaluza, Spain	**Future Phase Parcels**

Project / Asset	Inv To be Sold
Shadow Ridge II, Palm Desert, CA	**Phases 8, 9A, 9B, 10A, 10B, 11. 12, 14, 13A & 13B**
St. Thomas Sequel, Cabrita Point, USVI **Residential Lots**	**Lots:** **• 28 available**
Willow Ridge Sales Center, MO	**Sales Center on 1.4 acre parcel**
Willow Ridge Lodge, MO	**Land Designated for Buildings G, F, H & I (194 units planned)** **and Buildings B & C**

EXHIBIT B-2

UNDEVELOPED PARCELS SUBJECT TO RIGHT OF FIRST OFFER AND RIGHT OF FIRST REFUSAL

Project / Asset	Inv To be Sold
Cancun - Caribbean Hotel, MX	**Partially Developed Parcel** **6 Acres**
Grand Bahama, Bahamas	**• Undeveloped Timeshare Parcel (20 Acres)** **• MVCI Plan = 348 Units** **• Undeveloped Hotel Parcel (10 Acres)** **• MVCI Plan = 380 rooms**

Project / Asset	Inv To be Sold
Kauai Lagoons, HI	**• Inn on the Cliffs (22 units)** **• Townhomes (5 units)** **• Makalii Bldg A (37 units)** **• Makalii Bldg B (52 units)** **• Maikalii Bldg C (28 units)** **• Residential Golf Lots (65 lots)** **• MVC T/S (292 units)** **• MVC T/S Sequel (193 units)** **• Affordable Housing (31 units)** **• Golf Course, Restaurant & Golf Clubhouse**
Mirasol **Singer Island, FL**	**Undeveloped Parcel (2.9 Acres)**

EXHIBIT B-3

MEMORANDUM OF RIGHT OF FIRST REFUSAL

Recording Requested by:

_____

_____

_____

_____

Document Prepared by:

_____

_____

_____

_____

_____

When Recorded, Mail to:

_____

_____

_____

_____

This space reserved for Recorder's use only.

MEMORANDUM OF RIGHT OF FIRST REFUSAL

MEMORANDUM OF RIGHT OF FIRST REFUSAL

This Memorandum of Right of First Refusal ("Memorandum") is effective as of the _____day of _____, 2011 ("Effective Date") among Marriott International, Inc., a Delaware corporation ("MII"), and Marriott Worldwide Corporation, a Maryland corporation ("MWC") (MII and MWC are referred to collectively herein as "Licensor"), and _____, a _____("Owner").

RECITALS:

A. Licensor and Owner or its Affiliate have entered into a License, Services, and Development Agreement dated effective November 19, 2011 (the "License Agreement").

B. Owner is the fee owner of the undeveloped parcel of real property described in Exhibit 1 attached hereto (the "Real Property").

C. Pursuant to Section 5.3.C of the License Agreement, Owner granted Licensor a right of first refusal to purchase the Real Property (or a controlling interest in the owner(s) of such Real Property) on the same terms set forth in a bona fide third party offer made to Owner, exercisable within thirty (30) days after notice is given of such offer, in the event of a proposed sale to a Lodging Competitor (as defined in the License Agreement).

D. Licensor and Owner are executing and delivering this Memorandum in accordance with Section 5.3.C of the License Agreement for the purpose of submitting it to be recorded among the Land Records of the counties/cities in which the Real Property is located.

AGREEMENT:

NOW THEREFORE, for the good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto state as follows with respect to the License Agreement:

1. Grant of Right of First Refusal. Pursuant to Section 5.3.C. of the License Agreement, Owner has granted Licensor the right of first refusal (the "Right of First Refusal") to purchase the Real Property (or any part thereof), as more particularly described on Exhibit 1, attached hereto and made a part hereof, upon the terms and conditions contained in Section 5.3.C. of the License Agreement in the event of a proposed sale to a Lodging Competitor.

2. Interest in Real Estate and Injunctive Relief. Owner acknowledges that Licensor's rights under Section 5.3.C. of the License Agreement are real estate rights in the Real Property. Owner acknowledges and agrees that damages are not an adequate remedy in the event that Owner breaches its obligations under Section 5.3.C. of the License Agreement and that Licensor will be entitled to injunctive relief to prevent or remedy such breach without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting a bond.

3. Term. The Right of First Refusal will terminate upon the termination of the License Agreement. For the avoidance of doubt, however, Licensor's Right of First Refusal pursuant to Section 5.3.C. of the License Agreement must be exercised within thirty (30) days after Licensor receives notice from Owner of a bona fide third party offer to purchase the Real Property. In the event Licensor has not submitted notice of its intention to purchase within such thirty (30) day period, then such right shall be deemed to have expired by its own terms and no further waiver or acknowledgement of such expiration of Licensor's rights shall be necessary or required from Licensor.

4. Subordination. Licensor's rights in real estate under Section 5.3.C. of the License will be subordinate to the exercise of the rights of lenders under a mortgage or security deed secured by the Real Property.

5. Termination. If the License Agreement is terminated and Licensor's rights under Sections 5.3.C thereof are no longer in effect or if a Project (as defined in the License Agreement) or a non-lodging facility is developed by Owner or one of its affiliates on the Real Property, then, at the request of Owner, Licensor will deliver upon request an instrument in recordable form to terminate the recording of interest in the Real Property contemplated hereunder.

6. Addresses. Licensor's address, as set forth in the License Agreement, is 10400 Fernwood Road, Bethesda, MD 20817, Attn: [_____]. Owner's address, as set forth in the License Agreement, is [6649 Westwood Blvd., Suite 500, Orlando, Florida 32821].

{Signatures appear on following page}

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed, under seal, by their duly authorized representatives, as of the date first above written.

LICENSOR:

ATTEST:

MARRIOTT INTERNATIONAL, INC.,
a Delaware corporation

_____
Assistant Secretary

By: _____ (SEAL)
Name:
Title:

ATTEST:

MARRIOTT WORLDWIDE CORPORATION,
a Maryland corporation

_____
Assistant Secretary

By: _____ (SEAL)
Name:
Title:

OWNER:

ATTEST/WITNESS:

_____,
a_____]

_____
(Assistant) Secretary/Witness

By: _____ (SEAL)
Name:
Title:

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on _____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____ of Marriott International, Inc. (the "MII"), and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of MII by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____ , Notary Public

(SEAL) My Commission Expires: _____

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on _____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____ of Marriott Worldwide Corporation, Inc. ("MWC"), and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of MWC by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____ , Notary Public

(SEAL) My Commission Expires: _____

STATE OF

CITY/COUNTY OF

I HEREBY CERTIFY that on_____, 2011 before me, a Notary Public of the State and City/County aforesaid, personally appeared _____, who acknowledged himself/herself to be the _____of _____(the "Owner")], and that he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Owner by himself/herself as such officer.

WITNESS my hand and Notarial Seal.

_____

_____ , Notary Public

(SEAL) My Commission Expires: _____

EXHIBIT 1 TO MEMORANDUM OF RIGHT OF FIRST REFUSAL

[Legal Description]

Exhibit 1 to Exhibit B-3 -Solo Page

EXHIBIT C

MANAGEMENT COMPANY ACKNOWLEDGMENT

This Management Company Acknowledgment ("Management Company Acknowledgment") is executed as of _____, 20__, by and among _____, a _____ ("Management Company"), Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee"), and Marriott International, Inc., a Delaware corporation and Marriott Worldwide Corporation, a Maryland corporation (collectively, "Licensor").

WHEREAS, Management Company has entered into an agreement ("Management Agreement") with Licensee, pursuant to which Management Company will operate the [NAME OF PROJECT] (the "Project") located at _____ ("Approved Location"), in accordance with the terms of that certain License, Services and Development Agreement dated effective November 19, 2011 for Marriott Projects (as such agreement may be amended, supplemented, restated or otherwise modified, the "License Agreement") between Licensor and Licensee; and

WHEREAS, Licensee has requested that Licensor consent to the operation of the Project by Management Company in accordance with the License Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and benefits to be derived herefrom, the receipt and sufficiency of which are acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Licensor's Consent. Subject to and in accordance with the terms and conditions of this Management Company Acknowledgment and the License Agreement, Licensor hereby consents to the operation of the Project by Management Company and grants to Management Company the right to operate the Project in accordance with the Brand Standards and to access and use the System, at, and only at, the Approved Location during the term of the License Agreement on behalf of Licensee. Licensor's grant in the immediately preceding sentence will terminate without notice to Management Company contemporaneously with the occurrence of any of the following events: (a) any termination of the License Agreement or Licensee's rights under the License Agreement with respect to the Project or (b) the execution of another management company acknowledgment among Licensor, Licensee and another management company with respect to the Project; provided that the duties and obligations of Management Company that by their nature or express language survive such termination, including Sections 3.b. and c. below, will continue in full force and effect notwithstanding the termination of Licensor's grant in the immediately preceding sentence.

2. Management Company Representations and Covenants. Management Company represents and warrants to Licensor that:

a. Management Company (and any Person this is in Control of Management Company or that is Controlled by Management Company) (i) is not known in the community as being of bad moral character; (ii) has not been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date of the License Agreement by the GDP Deflator) or more; (iii) is not a Specially Designated National or Blocked Person; or (iv) is not a Lodging Competitor;

b. neither Management Company nor any Affiliate of Management Company is a Lodging Competitor; and

c. the Management Agreement is valid, binding and enforceable and contains no terms, conditions, or provisions that are, or through any act or omission of Licensee or Management Company, may be or may cause a breach of or default under the License Agreement.

3. Management Company and Licensee Acknowledgments. Management Company and Licensee covenant and agree to the following:

a. Management Company will have the exclusive authority and responsibility for the day-to-day on-site management of the Project on behalf of and for the benefit of Licensee with respect to and in accordance with the terms of the License Agreement. The general manager of the Project will be an employee of Management Company and devote such time and attention to the management and operation of the Project as is necessary to fully comply with the terms, conditions and restrictions set forth in the License Agreement;

b. The Project will be operated in strict compliance with the requirements of the License Agreement, and Management Company will observe fully and be bound by all terms, conditions and restrictions regarding the management and operation of the Project as set forth in the License Agreement, including those related to Licensor Intellectual Property, as if and as though Management Company had executed the License Agreement as "Licensee," provided that Management Company obtains no rights under the terms of the License Agreement, except as specifically set forth herein and the rights granted hereunder do not constitute a license or franchise or sub-license or sub-franchise to Management Company. Management Company will comply with all Applicable Laws in connection with its management of the Project and will obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Project;

c. Licensor may enforce directly against Management Company all terms in the License Agreement regarding Licensor Intellectual Property and the management and operation of the Project during and subsequent to Management Company's tenure as operator of the Project. Licensor may seek and obtain all available legal and equitable remedies from Management Company based on Management Company's failure to comply with the terms of this Management Company Acknowledgment, in addition to any remedies Licensor may obtain from Licensee under the License Agreement;

d. Management Company hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates. Management Company waives (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Management Company (or its employees or independent contractors) may now or hereafter have in the modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates and Management Company disclaims any interest in such modifications by virtue of a constructive trust. Management Company agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may reasonably be deemed necessary by Licensor to perfect or protect the title in the modifications, derivatives and additions herein conveyed, or intended to be conveyed now or in the future;

e. Any default under the terms of the License Agreement caused wholly or partially by Management Company will constitute a default under the terms of the Management Agreement, for which Licensee may terminate the Management Agreement;

f. Licensee and Management Company will not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms of the License Agreement or this Management Company Acknowledgment;

g. Except in extraordinary circumstances, such as theft or fraud on the part of Management Company or a default by Licensee under the License Agreement caused by Management Company for which Licensee needs to promptly remove Management Company from the Project, the Management Agreement will not be terminated or permitted to expire without at least thirty (30) days' prior notice to Licensor;

h. Management Company will perform the day-to-day operations of the Project. Licensor has the right to communicate directly with Management Company, and the managers at the Project regarding day-to-day operations of the Project, provided that Licensor shall not direct Management Company to take, or fail to take, any action that may cause a breach of the Management Agreement or this Management Acknowledgement. Licensor has the right to rely on instructions of Management Company and the managers at the Project as to matters relating to the operation of the Project, and the agreements of such managers are binding on Management Company; and

4. Existence and Power. Each of Management Company and Licensee represents and warrants with respect to itself that (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) it has the ability to perform its obligations under this Management Company Acknowledgment and under the Management Agreement, and (iii) it has all necessary power and authority to execute and deliver this Management Company Acknowledgment.

5. Authorization; Contravention.

a. Management Company and Licensee each represents and warrants with respect to itself that the execution and delivery of this Management Company Acknowledgment and the performance by Management Company and Licensee of its respective obligations hereunder and under the Management Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any regulation of any governmental body or any decision, ruling, order, or award by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

b. Management Company represents and warrants to Licensor that: (i) neither Management Company (including any and all of its directors and officers), nor any of its Affiliates or the funding sources for any of the foregoing is a Specially Designated National or Blocked Person (as defined in the License Agreement); (ii) neither Management Company nor any of its Affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government; and (iii) neither Management Company nor any of its Affiliates is acting on behalf of a government of any country that is subject to such an embargo. Management Company further represents and warrants that it is in compliance with any applicable anti-money laundering law and terrorist financing law. Management Company agrees that it will notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 5.b. incorrect.

6. Controlling Agreement. If there are conflicts between any provision(s) of the License Agreement and this Management Company Acknowledgment on the one hand and the Management Agreement on the other hand, the provision(s) of the License Agreement and this Management Company Acknowledgment will control.

7. No Release. This Management Company Acknowledgment will not release or discharge Licensee from any liability or obligation under the License Agreement, and Licensee will remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the License Agreement.

8. Limited Consent. Licensor's consent to Management Company operating the Project and Licensor's grant to Management Company of the right to operate the Project are personal to Management Company, and this Management Company Acknowledgment is not assignable by Licensee or Management Company. If there is a change in control of Management Company or if Management Company becomes, is acquired by, comes under the control of, or merges with or into a Lodging Competitor, or if there is a material adverse change to the financial status or operational capacity of Management Company, Licensee will promptly notify Licensor of any such change and Management Company will be subject to the consent process under the License Agreement as a new operator of the Project.

9. Defined Terms. Unless specifically defined herein, all capitalized terms used in this Management Company Acknowledgment will have the same meanings set forth in the License Agreement.

10. Governing Law; Venue; Dispute Resolution. The parties agree that this Management Company _____ Acknowledgment shall be subject to the governing law and, for the purpose of resolving any dispute under Section 13 of this Management Company Acknowledgment, the venue provisions set forth in Section 22.1 of the License Agreement.

11. Management Company's Address. Management Company's mailing address is _____. Management Company agrees to provide notice to both Licensee and Licensor if there is any change in Management Company's mailing address.

12. No Third Party Beneficiaries. Nothing in this Management Company Acknowledgment is intended, or will be deemed, to confer any rights or remedies under or by reason of this Management Company Acknowledgment upon any Person other than Licensor, Licensee and their respective Affiliates, successors and assigns.

13. Injunctive Relief. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Management Company Acknowledgment for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or the Licensor Confidential Information. The rights conferred by this Section 13 expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Management Company's failure to operate any portion of the Project in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

14. Arbitration. The parties agree that except as otherwise specified in this Management Company Acknowledgment, any Dispute or any other matter concerning any aspect of the relationship of Licensor and Management Company will be finally settled by arbitration according to the arbitration provisions set forth in Section 22.4 of the License Agreement.

15. Miscellaneous. The parties hereby incorporate by reference Sections 22.3 (costs of enforcement), 24.1.A (construction and severability), and 26.2 (multiple counterparts) of the License Agreement.

16. WAIVER OF JURY TRIAL AND PUNITIVE AND EXEMPLARY DAMAGES. THE PARTIES AGREE THAT LICENSEE, MANAGEMENT COMPANY AND LICENSOR EACH HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY AND THE RIGHT TO CLAIM OR RECEIVE SPECIAL, CONSEQUENTIAL, PUNITIVE AND EXEMPLARY DAMAGES IN ANY ARBITRATION, LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH THE COVENANTS, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES SET FORTH HEREIN, THE RELATIONSHIPS OF THE PARTIES HERETO, WHETHER AS "MANAGEMENT COMPANY," "LICENSEE" OR "LICENSOR" OR OTHERWISE, THIS AGREEMENT, OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE FOREGOING.

17. Entire Agreement. This Management Company Acknowledgment, together with the License Agreement and the Management Agreement, including all exhibits, attachments and addenda, and any execution copies executed simultaneously or in connection with, this Management Company Acknowledgment and the License Agreement, contain the entire agreement between the parties as it relates to the Project and the Approved Location as of the date of this Management Company Acknowledgment. This is a fully integrated agreement. No agreement of any kind relating to the matters covered by this Management Company Acknowledgment will be binding upon any party hereto unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of the parties. This Management Company Acknowledgment may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Management Company Acknowledgment by conduct manifesting assent or by electronic signature is not authorized to do so.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Management Company Acknowledgment, under seal, as of the date first above written.

LICENSOR:

MARRIOTT INTERNATIONAL, INC.

By: _____ (SEAL)
Name: _____
Title: _____

MARRIOTT WORLDWIDE CORPORATION

By: _____ (SEAL)
Name: _____
Title: _____

LICENSEE:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____ (SEAL)
Name: _____
Title: _____

MANAGEMENT COMPANY:

[MANAGEMENT COMPANY]

By: _____ (SEAL)
Name: _____
Title: _____

EXHIBIT D

FORM OF OPERATING STATEMENT

SEE ATTACHED

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
For Period X, 20XX from X/XX/20XX to X/X/20XX

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to MI	Comments
NATO							
3.1.A.ii.a—Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b—Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a—M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b—Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a—Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b—Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a—M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b—Resale Closings in Residential Units					1.0%	—	
Total NATO	—	—	—			—	
Europe							
3.1.A.ii.a—Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b—Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a—M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b—Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a—Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b—Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a—M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b—Resale Closings in Residential Units					1.0%	—	
Total Europe	—	—	—			—	
Asia							
3.1.A.ii.a—Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b—Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a—M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b—Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a—Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b—Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a—M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b—Resale Closings in Residential Units					1.0%	—	
Total Asia	—	—	—			—	
Total MVW	—	—	—			—	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to MI						—	

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
YTD For Period X, 20XX from X/X/20XX to X/X/20XX

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to MI	Comments
NATO							
3.1.A.ii.a — Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b — Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a — M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b — Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a — Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b — Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a — M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b — Resale Closings in Residential Units					1.0%	—	
Total NATO	—	—	—			—	
Europe							
3.1.A.ii.a — Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b — Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a — M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b — Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a — Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b — Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a — M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b — Resale Closings in Residential Units					1.0%	—	
Total Europe	—	—	—			—	
Asia							
3.1.A.ii.a — Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b — Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a — M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b — Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a — Developer Closings in Residential Units					20%	—	
3.1.B.ii.b — Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a — M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b — Resale Closings in Residential Units					1.0%	—	
Total Asia	—	—	—			—	
Total MVW	—	—	—			—	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to Ml						—	

A Required true-up of YTD royalty fee due to Ml based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Property and Built Unit Counts
For Quarter X, 20XX from X/XX/20XX to X/X/20XX

	Beginning of Quarter	Changes	End of Quarter
Property Count			
North America			
Asia Pacific			
Europe			
Total Property Count	—	—	—
Built Units			
North America			
Asia Pacific			
Europe			
Total Built Units	—	—	—

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
For Period X, 20XX from X/XX/20XX to X/X/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Destination Club Closings						
3.1.A.ii.a — Developer Closings in Destination Club						
NATO Distribution 1						
NATO Distribution 2						
NATO Distribution 3						
NATO Distribution 4						
Europe Distribution 1						
Europe Distribution 2						
Asia Pac Distribution 1						
Asia Pac Distribution 2					—	
3.1.A.ii.a — Developer Closings in Destination Club	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.A.II.B — Reacquired Closings in Destination Club						
NATO Distribution 1					—	
NATO Distribution 2					—	
NATO Distribution 3					—	
NATO Distribution 4					—	
Europe Distribution 1					—	
Europe Distribution 2					—	
Asia Pac Distribution 1					—	
Asia Pac Distribution 2					—	
3.1.A.ii.B — Reacquired Closings in Destination Club	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.A.iii.a — M&S Agreements in Destination Club						
NATO Distribution 1					—	
3.1.A.iii.a — M&S Agreements in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.A.iii.b — Resale Closings in Destination Club						
NATO Distribution 1					—	
NATO Distribution 2					—	
Europe Distribution 1					—	
Asia Pac Distribution 1					—	
3.1.A.iii.b — Resale Closings in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Destination Club Closings	—	—	—	—	—	
Residential Unit Closings						
3.1.B.ii.a — Developer Closings in Residential Units						
NATO Distribution 1					—	
NATO Distribution 2					—	
3.1.B.ii.a — Developer Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.B.II.B — Reacquired Closings in Residential Units						
NATO Distribution 1						
NATO Distribution 2						
3.1.B.ii.B — Reacquired Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.B.iii.a — M&S Agreements in Residential Units						
NATO Distribution 1	—	—		—	—	
3.1.B.iii.a — M&S Agreements in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.B.iii.b — Resale Closings in Residential Units						
NATO Distribution 1					—	
3.1.B.iii.b — Resale Closings in Residential Units	—	—	—	—	—	

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
For Period X, 20XX form X/XX/20XX to X/X/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Total MVW commission earned	—	—	—	—	—	
Royalty due art 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Residential unit Closings	—	—	—	—	—	
Total Royalty Fee to be Paid-PTD	—	—	—	—	—	
Add YTD true up if necessary						**See comment A**
Final Period Royalty Fee to be Paid-PTD	—	—	—	—	—	

A Required Irue-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals.

B Breakdown of total period closing to pre- and post-spin totals

Total MVW Closings			
MVW Closings on pre-spin contract sales			
MVW Closings on post-spin contract sales			Ties to reference C

C Validation of post-spin closing by royalty category

Closings (3.1.A.ii.a)	—	
Closings (3.1.A.ii.b)	—	
Closings (3.1.A.iii.a)	—	
Closings (3.1.A.iii.b)	—	
Closings (3.1.B.ii.a)	—	
Closings (3.1.B.ii.b)	—	
Closings (3.1.B.iii.a)	—	
Closings (3.1.B.iii.b)	—	
Total	—	Ties to reference B
Check	—	

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
YTD For Period X, 20XX form X/X/20XX

VP and Controller, MVW

	NATO	Luxury	Europe	AsiaPacific	Total MVW	Comments
Destination Club Closings						
3.1.A.ii.a — Developer Closings in Destination Club						
NATO Distribution 1					—	
NATO Distribution 2					—	
NATO Distribution 3					—	
NATO Distribution 4					—	
Europe Distribution 1					—	
Europe Distribution 2					—	
Asia Pac Distribution 1					—	
Asia Pac Distribution *2*					—	
	—	—	—	—	—	
3 1.A.ii.a— Developer Closings in Destination Club					—	
Royalty due at @ 2%					—	
3.1.A.ii.B — Reacquired Closings in Destination Club						
NATO Distribution 1					—	
NATO Distribution 2					—	
NATO Distribution 3					—	
NATO Distribution 4					—	
Europe Distribution 1					—	
Europe Distribution 2					—	
Asia Pac Distribution 1					—	
Asia Pac Distribution 2					—	
3.1.A.ii.B — Reacquired Closings In Destination Club	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.A.iii.a — M&S Agreements in Destination Club						
NATO Distribution 1					—	
3.1.A.iii.a — M&S Agreements in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.A.iii.b — Resale Closings in Destination Club						
NATO Distribution 1					—	
NATO Distribution 2					—	
Europe Distribution 1					—	
Asia Pac Distribulion 1					—	
3.1. A.iii.b — Resale Closings in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royally Due on Destination Club Closings	—	—	—	—	—	
Residential Unit Closings						
3.1.B.ii.a — Developer Closings in Residential Units						
NATO Distribution 1					—	
NATO Distribution 2					—	
		—	—	—		
3.1.B.ii.a — Developer Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.B.ii.B — Reacquired Closings in Residential Units						
NATO Distribution 1					—	
NATO Distribution 2					—	
3.1.B.ii.B — Reacquired Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.B.iii.a — M&S Agreements in Residential Units						
NATO Distribution 1					—	
3.1.B.iii.a — M&S Agreements in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	

NATO Distribution 1					—
3.1.B.iii.b — Resale Closings in Residential Units	—	—	—	—	—

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
YTD Period X, 20XX from X/X/20XX to X/X/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Residential Unit Closings	—	—	—	—	—	
Total Royalty Fee to be Paid-YTD	—	—	—	—	—	
True up check:						
Total Royality Fee YTD per Period 8 report Current period 9 Royalty Fee						
Total	—	—	—	—	—	
YTD true up	—	—	—	—	—	See comment A

A Required true-up of YTD royalty fee due to MI based on closings that were not included in previous period report totals

B Breakdown of total period closing to pre- and post-spin totals	Total MVW Closings		
	MVW Closings on pre-spin contract sales		
	MVW Closings on post-spin contract sales		Ties to reference C
C Validation of post-spin closing by royally category	Closings (3.1.A.ii.a)	—	
	Closings (3.1.A.ii.b)	—	
	Closings (3.1.A.iii.a)	—	
	Closings (3.1.A.iii.b)	—	
	Closings (3.1.B.ii.a)	—	
	Closings (3.1.B.ii.b)	—	
	Closings (3.1.B.iii.a)	—	
	Closings (3.1.B.iii.b)	—	
	Total	—	Ties to Reference B
	Check	—	

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

EXHIBIT E

AFFILIATE SUBLICENSE AGREEMENT

THIS AFFILIATE SUBLICENSE AGREEMENT (this **"Sublicense Agreement"**) is entered into this _____day of _____, 2_____, (**"Effective Date"**) by and between Marriott Vacations Worldwide Corporation, a Delaware corporation (**"MVWC"**) and _____, a _____and an Affiliate of MVWC (**"Sublicensee"**).

RECITALS

A. MVWC is the licensee under that certain License, Services And Development Agreement dated effective November 19, 2011 with Marriott International, Inc., a Delaware corporation (**"MII"**) and Marriott Worldwide Corporation, a Maryland corporation (**"MWC"**) (MII and MWC are referred to collectively as **"Licensor"**), a true and correct copy of which has been provided to Sublicensee (the **"Marriott License"**). Each initially capitalized term which is not defined in this Sublicense Agreement shall have the meaning given to such term in the Marriott License.

B. Under the Marriott License and subject to the terms and conditions thereof, including, without limitation, all reservations of rights and limitations on exclusivity set forth therein, MVWC has been granted a license to use the Licensed Marks and the System to operate the Licensed Destination Club Business and the Licensed Whole Ownership Residential Business within the Territory.

[Use the following Recitals C. and D. for New Project development]

C. MVWC is permitted to delegate the authority to develop New Projects to MVWC Affiliates pursuant to Section 5.2.D. of the Marriott License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to develop the New Project described in Exhibit A to this Sublicense Agreement (the **"Project"**).

[Use the following Recitals C. and D. for Existing/New Project operation]

C. MVWC is permitted to delegate the authority to operate Existing Projects and New Projects to MVWC Affiliates pursuant to Section 5.1.C. and 5.2.D. of the Marriott License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to operate the Project(s) described in Exhibit A to this Sublicense Agreement (the **"Project(s)"**).

[Use the following Recitals C. and D. for Sales and Marketing]

C. MVWC is permitted to delegate certain non-management functions involving regional and/or local sales and marketing of Licensed Destination Club Products and Residential Units for Licensed Residential Projects to any Affiliate pursuant to Section 5.8.B. of the Marriott License and, where, in Licensor's judgment, it is required to fulfill such functions, to sublicense to such Affiliate the right to use the Licensed Marks and the System.

D. MVWC has delegated to Sublicensee the sales and marketing functions described in Exhibit A to this Sublicense Agreement (**"Sales and Marketing Services"**) and in connection therewith is willing to sublicense to Sublicensee the right to use the Licensed Marks and System in accordance with the terms of this Sublicense Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Sublicense Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Licensee and Sublicensee agree as follows:

1. RIGHTS GRANTED.

[Use the following paragraph 1 for New Project development]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of developing the Project identified on Exhibit A.

[Use the following paragraph 1 for Existing/New Project operation]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of operating the Project(s) identified on Exhibit A.

[Use the following paragraph 1 for Sales and Marketing]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Sales and Marketing Services within the territor(y)(ies) identified on Exhibit B.

2. MARRIOTT LICENSE.

This Sublicense Agreement is subject and subordinate to the Marriott License. Except as may be inconsistent with the terms and provisions hereof, the terms and provisions of the Marriott License shall be applicable to this Sublicense Agreement and shall be incorporated into this Sublicense Agreement as if MVWC was the licensor and Sublicensee was the licensee under the Marriott License [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**. Sublicensee acknowledges and agrees that, [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**, it is bound by the same responsibilities, limitations, and duties of the licensee under the Marriott License and that such responsibilities, limitations, and duties are hereby incorporated in this Sublicense Agreement.

3. REPRESENTATIONS AND WARRANTIES.

Sublicensee represents and warrants that it satisfies the definition of "Affiliate" under the Marriott License.

4. TERM AND TERMINATION.

[Use the following paragraph 4.A. for New Project development]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to develop the Project expires or terminates, (ii) the date on which the Project is Deflagged, or (iii) the termination or expiration of the Marriott License.

[Use the following paragraph 4.A. for Existing/New Project operation]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to operate the Project, or, if this Sublicense Agreement covers more than one (1) Project, all of the Projects, expires or terminates, (ii) the date on which the Project is, or, if this Sublicense Agreement covers more than one (1) Project, all of the Projects are, Deflagged, or (iii) the termination or expiration of the Marriott License. If this Sublicense Agreement covers more than one (1) Project and any (but not all) of those Projects are Deflagged or Sublicensee's authority to operate any such Project expires or is terminated, Exhibit A shall be amended to delete the affected Project(s), and Sublicensee shall no longer have the right to use the Licensed Marks or System in connection with the operation of such Project(s).

[Use the following paragraph 4.A. for Sales and Marketing]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Sales and Marketing Services expires or terminates, or (ii) the termination or expiration of the Marriott License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

5. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall revert to MVWC or Licensor , and Sublicensee shall immediately cease all use of the Licensed Marks and System.

6. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not Transfer this Sublicense Agreement or any interest herein or any Ownership Interest in Sublicensee without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted Transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may Transfer this Sublicense Agreement in accordance with the terms of the Marriott License.

7. MISCELLANEOUS.

A. This Sublicense Agreement, including the Recitals, contains the entire agreement between the parties concerning the sublicensed rights and may not be modified without the prior written consent of both parties and, except to the extent required by Applicable Law, without Licensor's prior written approval. In the event of a conflict between this Sublicense Agreement and the Marriott License, the Marriott License shall control.

B. This Sublicense Agreement does not constitute and shall not be construed as constituting a partnership, joint venture, agency or employment relationship, or any relationship other than that of licensor and licensee or sublicensee.

C. The language of this Sublicense Agreement shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against any of the parties. Headings of paragraphs herein are for convenience of reference only and are without substantive significance.

D. Sublicensee acknowledges that the rights and powers retained by Licensor under the Marriott License are necessary to protect Licensor's intellectual property rights, and specifically, to conserve the goodwill and good name of Licensor's products and company and the name "Marriott". Sublicensee therefore agrees that Sublicensee will not allow the same to become involved in matters which will, or could, detract from or impugn the public acceptance and popularity thereof, or impair their legal status.

E. MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its Affiliates are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its Affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its Affiliates are not liable for and do not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor or its Affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]** are primary obligations; (ii) that Licensor and its Affiliates may pursue Sublicensee directly to enforce such obligations, and (iii) that Licensor and its Affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Marriott License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

F. The respective obligations of the parties under this Sublicense Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Sublicense Agreement, including but not limited to the provisions of Paragraph 4, shall survive termination, cancellation or expiration of this Sublicense Agreement.

G. Sublicensee agrees that this Sublicense Agreement shall be subject to the governing law and dispute resolution provisions set forth in the Marriott License.

{Signatures appear on following page}

IN WITNESS WHEREOF, the parties have executed this Sublicense Agreement as of the date first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name: _____
Title: _____

SUBLICENSEE:

_____

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF PROJECT(S)
[In Sales and Marketing agreement, substitute "SALES AND MARKETING SERVICES" for "DESCRIPTION OF PROJECT(S)"]

Exhibit A to Exhibit E - Solo Page

[Use with Sales and Marketing Agreement]

EXHIBIT B

SALES AND MARKETING SERVICES TERRITOR(Y)(IES)

Exhibit B to Exhibit E - Solo Page

EXHIBIT F

PROVISIONS TO BE INCLUDED IN SUBLICENSE AGREEMENT WITH NON-AFFILIATES FOR SALES, MARKETING AND RELATED SERVICES

1. RIGHTS GRANTED.

Marriott Vacations Worldwide Corporation ("MVWC") hereby grants to Sublicensee a non-exclusive license to use the Licensed Mark(s) identified on Exhibit [__] hereto and relevant aspects of the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Services.

2. USE AND OWNERSHIP OF LICENSED MARKS; QUALITY CONTROL.

A. All use of the Licensed Marks by Sublicensee under this Sublicense Agreement shall inure to the benefit of Marriott International, Inc. and Marriott Worldwide Corporation (collectively, "Licensor") and its affiliates. Licensor reserves the right to use and grant to others the right to use all or part of the Licensed Marks, as may be applicable, in connection with goods and services offered by Licensor, any of its affiliates or others.

B. Nothing herein shall be construed to grant Sublicensee any right whatsoever to use (except as provided herein) or license others to use the Licensed Marks or any names, marks, logos, commercial symbols, or indicia of origin owned by Licensor or its affiliates.

C. Sublicensee covenants and agrees that in no event will any employees, contractors, or agents of Sublicensee or others retained by Sublicensee in connection with its provision of the Services, identify themselves as employees of, or as representing or speaking or acting for Licensor.

D. Sublicensee recognizes that Licensor and its affiliates are the sole and exclusive owners of all right, title and interest of every kind and nature, whether by statute or common law, in law or equity, which attach, inure, subsist or exist in the Licensed Marks, including specifically the Licensed Marks and all goodwill associated with the Licensed Marks.

E. Sublicensee agrees that it will not during the term of this Sublicense Agreement or thereafter (i) contest the ownership rights or any other rights of Licensor or its affiliates in and to the Licensed Marks, contest the validity of the Licensed Marks or do anything either by an act of omission or commission which might impair, jeopardize, violate, infringe or dilute the Licensed Marks; (ii) claim adversely to Licensor, its affiliates or anyone claiming through Licensor any right, title, or interest in and to the Licensed Marks; (iii) use the Licensed Marks other than in the manner provided for in this Sublicense Agreement; (iv) misuse or harm or bring into dispute the Licensed Marks; (v) register or apply to register in any country of the world the Licensed Marks or any other mark which is, in Licensor's reasonable opinion, the same as or confusingly similar to the Licensed Marks for the benefit of Sublicensee or any other person or entity, directly or indirectly; (vi) use any other mark which in Licensor's opinion is confusingly similar to the Licensed Marks; or (vii) use any of the Licensed Marks in its corporate name or trade name or seek to register any corporate name or trade name containing any of the Licensed Marks.

F. Sublicensee agrees to cooperate fully and in good faith with Licensor and its affiliates for the purpose of securing and preserving the rights of Licensor and its affiliates in and to the Licensed Marks by executing all documents and taking all other acts reasonably necessary to record, register, or otherwise acknowledge the existence of this sublicense or the rights granted to Sublicensee hereunder to use the Licensed Marks and by providing such consents, cooperation, and other assistance as Licensor may reasonably request to perfect, defend, and protect Licensor's and its affiliates' ownership of the Licensed Marks. [**If there is an expense associated with this section, the relevant terms of the License Agreement between Licensor and MVWC will govern which bears the expense, as between Licensor and MVWC.]**

G. Sublicensee shall promptly notify MVWC of any objection to its use of the Licensed Marks or any unauthorized use or attempted use, by any other person, firm or entity, of the Licensed Marks or any variations similar thereto, of which it is aware. In the event Licensor undertakes the prosecution of any litigation relating to the Licensed Marks, Sublicensee shall execute any and all documents and do such acts and things asLicensor may reasonably request in connection with such defense or prosecution.

H. Any act or omission which purports to create an interest in the Licensed Marks in favor of Sublicensee, directly or indirectly, shall be considered a material breach of this Sublicense Agreement and grounds for its immediate termination, including restitution for any damage incurred. Any application or registration by or on behalf of Sublicensee or its affiliates made in contravention of the terms and conditions of this Sublicense Agreement which would create in Sublicensee or any of its affiliates any right or interest, or the appearance of any right or interest, with respect to the Licensed Marks, shall be deemed to at all times to have been made solely and exclusively for the benefit of Licensor or its affiliates, and Sublicensee and its affiliates jointly and severally, do unconditionally and irrevocably assign to Licensor any and all right, title, or interest that it may have or appear to have with respect to the Licensed Marks.

I. Sublicensee shall at all times conduct its sales and marketing activities in a high quality, professional and courteous manner so as not to dilute or damage the image and reputation of high quality service symbolized by the Licensed Marks. Sublicensee shall immediately cease any marketing or promotional activity or practice that MVWC or Licensor determines is not in keeping with the foregoing standards or otherwise not in accordance with the provisions of this Sublicense Agreement.

3. CONFIDENTIALITY.

During the course of its engagement under this Sublicense Agreement, Sublicensee may have access to Licensor Confidential Information (as defined in the Marriott License). Sublicensee will not, during the term hereof or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" person or entity any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Sublicense Agreement. Sublicensee may divulge such Licensor Confidential Information only to such of Sublicensee's employees or agents as require access to it in order to provide the Services under this Sublicense Agreement, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other persons or entities are "unauthorized" for purposes of this Sublicense Agreement. Sublicensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Paragraph 3. by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor and MVWC the theft or loss of all or any part of the Licensor Confidential Information.

4. INSURANCE AND INDEMNIFICATION.

A. All insurance policies obtained or maintained by Sublicensee will by endorsement specifically name as additional insureds Licensor, any affiliate of Licensor designated by Licensor, and their employees.

B. Sublicensee will, and hereby does, indemnify and, at Licensor's option, defend Licensor and its affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against any and all damages, claims, demands, suits, judgments, losses, or expenses (including attorneys' fees and litigation costs) of any nature whatsoever (including, but not limited to, libel, slander, disparagement,

defamation, copyright infringement, trademark infringement, patent infringement, trade secret infringement, invasion of privacy or publicity rights, piracy and/or plagiarism arising from or related to any materials prepared by Sublicensee in connection with the provision of the Services under this Sublicense Agreement, violation of consumer protection rules, or any offerings of Sublicensee not consistent with this Sublicense Agreement or applicable law), arising directly or indirectly from or out of: (i) any act, error or omission of Sublicensee or its directors, invitees or employees, agents, or contractors; and/or (ii) any occupational injury or illness sustained by any employees, agents, or contractors of Sublicensee in furtherance of the Services hereunder; and/or (iii) any failure of Sublicensee to perform the Services hereunder in accordance with the highest generally accepted professional standards; and/or (iv) any breach of Sublicensee's representations as set forth herein or in any other agreement related to the provision of the Services; and/or (v) any other failure of Sublicensee to comply with the obligation on its part to be performed hereunder or in any other agreement related to the provision of the Services. The indemnification contained herein shall extend to claims occurring after this Sublicense Agreement has terminated as well as while this Sublicense Agreement is in force.

5. TERM AND TERMINATION.

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Services expires or terminates or (ii) the termination or expiration of the Marriott License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

6. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall end, and Sublicensee shall immediately cease all use of the Licensed Marks and System.

7. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not sell, assign or otherwise transfer this Sublicense Agreement or any interest herein or any ownership interest in Sublicensee, or delegate any of its obligations hereunder, without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may sell, assign or otherwise transfer this Sublicense Agreement in accordance with the terms of the Marriott License.

8. LICENSOR AS THIRD-PARTY BENEFICIARY.

MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its affiliate are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its affiliates are not liable for and does not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor and its affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) with respect to the Services are primary obligations; (ii) that Licensor and its affiliates may pursue Sublicensee directly to enforce the such obligations, and (iii) that Licensor and its affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Marriott License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

EXHIBIT G

DESIGN REVIEW ADDENDUM

This Design Review Addendum ("**Addendum**") is a part of and is incorporated into that certain License, Services, and Development Agreement dated effective November 19, 2011 (hereinafter referred to as the "**License Agreement**") by and between Marriott International, Inc. ("MII"), Marriott Worldwide Corporation ("MWC") (MII and MWC are referred to collectively herein as "**Licensor**"), and Marriott Vacations Worldwide Corporation ("**Licensee**").

RECITALS

A. Pursuant to the terms of the License Agreement, Licensee has been granted a license to operate the Destination Club Business and Whole Ownership Residential Business by developing, selling, marketing, operating and financing Destination Club Projects and Residential Projects (each, a "**Project**"); and

B. Licensee and Licensor intend for each New Project and the refurbishment, or renovation of Existing Projects, to be designed, constructed, renovated and refurbished in accordance with the Design Standards and the review process described in this Addendum; and

C. Licensee desires to engage Licensor to provide certain review services during the planning, development and operation phases of Projects for the purpose of assuring compliance with the Design Standards, and Licensor desires to provide such services to Licensee upon the terms set forth in this Addendum.

NOW, THEREFORE, Licensee and Licensor, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1

DEFINITIONS AND GENERAL MATTERS

1.1 Definitions. All capitalized terms not defined in this Addendum shall have the meanings ascribed to them in the License Agreement, which is incorporated herein by this reference. In this Addendum, the following terms have the following meanings:

"Addendum" shall mean this Design Review Addendum, including the exhibits attached hereto, as it may be amended, restated or supplemented from time to time.

"Audio/Visual Systems" shall include, but not be limited to, the following systems: general audio and visual systems, entertainment audio/video systems and video information systems.

"Decorative Items" shall include, but not be limited to, artifacts, artwork, carpeting, decorative lighting fixtures, etched glass, furniture, graphics, interior landscaping, radios, televisions and window treatments.

"Design Standards" shall mean the Marriott Vacation Club Design Standards (modules) which may be updated and amended on a periodic basis in accordance with the terms of the License Agreement.

"Project Request Date" shall mean the date upon which Licensee provides Licensor a Project Approval Request for a particular Project.

"Existing Project" shall mean a Project that has received Licensor's approval prior to the Project Request Date. A "New Project" will become an "Existing Project" for purposes of the reviews required by this Addendum upon receipt of final approval from Licensor for the opening thereof. Existing Projects shall not include any Project that has ceased to be a Licensed Project.

"Facilities Program" shall have the meaning ascribed to it in Section 2.1.2.

"FF&E" shall mean furniture, fixtures and equipment, including without limitation: Decorative Items; Audio/Visual Systems; in-unit kitchen appliances, refrigerators and minibars; cabinetry; computer equipment; Food/Kitchen Equipment; Laundry Equipment; Housekeeping Equipment; Telecommunications Systems; and Security Systems.

"Fixed Asset Supplies" shall mean items included within "Operating Equipment" under the Uniform System of Accounts that may be consumed in the operation of the Project or are not capitalized including, but not limited to, linen, china, glassware, tableware, uniforms and similar items used in the operation of the Project.

"Food/Kitchen Equipment" shall include, but not be limited to, all food preparation, cooking and holding equipment; exhaust hoods and hood fire protection systems; general storage layout, refrigerators and freezers (including coils, condensers and compressors); ice-making, beverage dispensing and other food and beverage equipment; dishwashing equipment (except any glass washer included in Housekeeping Equipment); and similar items used in the food and beverage service operation of the Project.

"Housekeeping Equipment" shall mean equipment items to be used by Project employees for cleaning the Project on a regular basis.

"Inventories" shall mean "Inventories" as defined in the Uniform System of Accounts, such as, but not limited to, provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

"Laundry Equipment" shall mean washers, washer/extractors, dryers, chest-type ironers, steam boiler, thermal fluid heater for ironer, lint control devices, linen folders, linen carts, dry cleaning equipment (if required), laundry sinks, air compressors, laundry scales and similar items used in the laundry operation of the Project.

"Licensee" shall have the meaning ascribed to it in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"License Agreement" shall have the meaning ascribed to it in the preamble to this Addendum, as such agreement may be amended, restated or supplemented from time to time.

"Licensor" shall have the meaning set forth in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"Model Unit" shall have the meaning ascribed to it in Section 2.4.2.

"Opening Date" shall mean the first (1st) day on which a Project (or phase thereof) is open for overnight accommodation for owners and guests.

"Plans" shall have the meaning ascribed to it in Section 2.3.1.

"Project" shall have the meaning ascribed to it in the Recitals.

"Project Approval Request" shall have the meaning ascribed to it in Section 1.2.

"Project Related Areas" shall mean all facilities that are part of the Project, but outside the Project, which: (i) connect to or are directly accessible to the Project; (ii) provide services to the Project; and/or (iii) would normally be incorporated as part of a free-standing project.

"Project Systems" shall include, but not be limited to, software, hardware, cabling and all other items necessary for a computer; Audio/Visual Systems; management systems; front office, back office and accounting management systems; sales and reservations systems; timekeeping and payroll systems; point-of-sale systems, including food, beverage and retail functions; food and beverage inventory systems; engineering software; and word processing and other personal computer applications.

"Refurbishment Review Waiver Request" shall mean a request by Licensee for Licensor to waive the requirements of Article 3 due to the scope of the refurbishment activities planned for a particular Project. Refurbishment Review Waiver Requests shall be delivered to Licensor in writing and provide sufficient detail regarding the activities and Project scope for which Licensee is seeking a waiver. The intent behind this mechanism is to permit minor renovations and refurbishments to occur without the cost and time associated with the review process outlined in Article 3.

"Security Systems" shall mean video surveillance equipment; two-way radio systems; inspection tour recording systems; security alarm systems; access control systems (pedestrian and vehicular); and other special security systems required for the Project.

"Site" shall mean the parcel of land upon which the Project is located.

"Substantial Completion" shall mean: (i) substantial completion of the Project in conformance, in all material respects, with the Plans, Design Standards and the requirements of this Addendum (other than minor punchlist items, which will not individually or in the aggregate impair the use of the Project for its intended use, or impair the Project owners' and guests' experience); (ii) the provision of all Fixed Asset Supplies and Inventories and installation of the FF&E and Project Systems as required for the operation of the Project; provided, however, that if Licensee contracts with Licensor or an affiliate of Licensor to procure FF&E and/or Fixed Asset Supplies required for the operation of the Project, and Licensor or such affiliate is in default under the terms of such procurement contract, such FF&E and/or Fixed Asset Supplies shall not be required for Substantial Completion of the Project; and (iii) Licensee has obtained required permits as set forth in Section 2.4.4 necessary for the opening of the Project.

"Technical Services Fee" shall have the meaning ascribed to it in Article 5.

"Telecommunications Systems" shall mean PBX, phone systems, call accounting and pocket paging systems, and high-speed Internet access.

"Termination" shall mean the expiration or sooner cessation of this Addendum.

"Variance Notice" shall mean a separate written statement provided by Licensee to Licensor concurrently with Licensee's submittals to Licensor pursuant to Article 2 and Article 3, which statement shall detail all variances from the Plans or Design Standards contained in the relevant submittal. The Variance Notice shall also include a description of the rationale for the variance from the Design Standards.

1.2 Initiating the Review of a Project. To initiate Licensor's review of work to be performed in connection with a New Project or Existing Project, Licensee shall submit to Licensor a memorandum describing the overall scope of the Project along with a detailed description of the new construction, renovation or refurbishment work for which Licensee is seeking approval from Licensor (the "**Project Approval Request**"). The Project Approval Request should provide specific contact information for a representative of Licensee through whom Licensor may coordinate activities pursuant to this Addendum, provide a narrative of the work contemplated to be performed, a description of the Site, identify the Project as a New Project or an Existing Project, and include a preliminary schedule for the work to be performed. Unless an alternative date is agreed upon by the parties, within fifteen (15) days of receipt of the Project Approval Request, representatives of Licensee and Licensor shall hold a "kick-off meeting" to discuss the details surrounding the Project, the scope of services to be provided by Licensor (e.g., shared services, on site management, integration with adjoining resort) and other items the parties deem relevant. Unless an alternative location is mutually agreed upon by the parties, the kick-off meeting shall be held at the corporate headquarters of Licensor in Bethesda, Maryland. The date upon which the Project Approval Request is submitted to Licensor shall be considered the "Project Request Date" for the subject Project.

1.3 Review of Projects and Scope of Addendum. It is acknowledged that the terms of this Addendum shall apply to a variety of project types and undertakings, each one of which will be categorized as a New Project or an Existing Project for purposes of review for compliance with the Design Standards. The category of the Project will determine the process for review necessary to obtain the approval of Licensor. New Projects may include new construction (ground-up), the addition of a phase at an Existing Resort (which has not been previously approved by Licensor), or the conversion of a previously existing property to a Project. New Projects undergo a thorough review in accordance with Article 2 of this Addendum to assure they comply with the Design Standards. Existing Projects routinely go through renovations and refurbishment processes which require an abbreviated review of the undertakings as described in Article 3 of this Addendum.

1.4 Licensee Representative and Approval of Consultants. As soon as reasonably possible after the Project Request Date, but in no event later than thirty (30) days thereafter, Licensee shall provide Licensor with the names and other information reasonably requested by Licensor related to the Licensee's architect, interior designers and other consultants providing services to the subject Project.

ARTICLE 2

TECHNICAL SERVICES FOR NEW PROJECTS

2.1 New Project Conceptual and Schematic Design Phase

2.1.1 Preliminary Information. Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team, along with other information describing the standards that Licensor requires for the Project and Project Related Areas, as appropriate for the Project. All Plans for the Project shall incorporate the parameters described in the Design Standards.

2.1.2 Schematic Design Phase. Based upon, and incorporating the information provided in the materials described in Section 2.1.1 and the kick-off meeting described in Section 1.2, Licensee shall prepare or cause to be prepared and submitted to Licensor for approval: (i) a facilities program ("**Facilities Program**") describing the space requirements for all areas of the Project and the Project Related Areas (e.g., public spaces, kitchen, laundry, back office, etc.); (ii) a listing of each operating function of the Project and the as-designed areas, and other documents reasonably necessary to represent the size, layout and quality of the Project; (iii) a colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers; (iv) a site plan showing all site elements and proposed landscaping; (v) floor plans, showing all spaces listed in the Facilities Program; (vi) unit layouts, indicating all bath fixtures, in-unit kitchen equipment (if applicable), closets, balconies and other major features; (vii) building elevations and sections, showing exterior materials, details and colors; (viii) a rendered perspective drawing of the Project; and (ix) a sample board showing the proposed exterior materials. Such materials may also include a rendering and preliminary architectural plans of the Project Related Areas, as reasonably requested by Licensor, and a Variance Notice, if applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design submittal shall be made by Licensee's representatives in Bethesda, Maryland at the corporate headquarters of Licensor. Licensee will revise and amend the schematic design submittals as may be necessary to obtain Licensor's approval.

2.2 New Project Design Development Phase

2.2.1 Design Development Phase. Licensee shall, based upon incorporating the approvals described in Section 2.1.2, prepare or cause to be prepared in accordance with the Design Standards a design development submittal which may include the following: (i) a Project description and as-designed space utilization program; (ii) development plans and specifications for the Project, Site and related facilities; (iii) interior designer's plans, furniture layouts, reflected ceiling plans, interior elevations, wall sections, materials, lighting and color schemes; (iv) interior designer's and mechanical engineer's coordinated design of HVAC distribution; (v) interior designer's and electrical engineer's coordination of lighting and emergency lighting and alarm systems; (vi) a review of lighting layouts for such areas including specific fixture selection and recommendations on and specifications of dimmer equipment; and (vii) engineering drawings indicating locations and sizes of necessary mechanical connections for Food/Kitchen Equipment, Housekeeping Equipment and Laundry Equipment. All such plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval.

2.2.2 Interior Design. Prior to submission, or as part of the plans submitted pursuant to Section 2.2.1, Licensee shall submit to Licensor for review and approval: (i) interior design plans, including floor plans, reflected ceiling plans, elevations, sections and renderings that are reasonably necessary to adequately explain the design intent of the Project's public spaces (which, upon approval, shall become part of the Plans); (ii) display boards of fabrics, carpets, furnishings, finishes, paints, lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.) and other materials for each Project space designated by Licensor; and (iii) a Variance Notice, if applicable. Upon request of Licensor and agreement by the parties of the date and location of such presentation, Licensee shall present these materials to Licensor for approval of the interior design of the Project, and Licensee shall revise and amend such presentation materials as required to obtain final approval of the interior design by Licensor.

2.3 New Project Construction Document Phase

2.3.1 Final Design Phase. Upon Licensor's approval of the items submitted by Licensee pursuant to Section 2.2, and based upon the designs therein approved by Licensor, Licensee shall cause Licensee's architect to produce final plans, specifications and complete construction drawings

(including, without limitation, architectural, electrical, plumbing, HVAC, structural, civil engineering, life safety, and landscape drawings for the Project and Project Related Areas) (collectively, the "**Plans**"), which shall be properly sealed by Licensee's architect. The Plans shall: (i) incorporate the Design Standards into the Project and Project Related Areas; and (ii) incorporate all legal requirements applicable to the design, construction and operation of the Project and the Project Related Areas.

The Plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval at least thirty (30) days prior to commencement of construction of the Project and Project Related Areas., Licensee may submit the Plans at the time they are 30%, 60% and 90% complete for comment and approval by Licensor.

Following Licensor's approval of the Plans, no change in such Plans shall be made that materially affects the design, construction, operation, or aesthetics of the Project or any of the Project Related Areas (as related to the scope of Licensor's approval of such areas), without the prior approval of Licensor.

2.3.2 Systems. In accordance with the approved schedule for the Project, Licensee shall provide to Licensor: (i) general concepts for food and beverage facilities, including without limitation point of sale systems; (ii) the locations of security devices, and their specifications, installation details, power and space requirements; and (iii) the locations and types of Telecommunication Systems.

2.3.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 2.2.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval, documents reasonably describing the Decorative Items to be installed in the Project, and a Variance Notice, if applicable. Such information shall include the description, quantity, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

2.4 New Project Construction Phase

2.4.1 Construction of Project, Observations. Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of construction, Licensee shall cooperate with Licensor for the purpose of permitting Licensor to observe from time to time, the construction of the Project and the Project Related Areas as it proceeds to determine whether construction is proceeding in accordance with the Design Standards and the approved Plans. In particular, Licensor may visit the Site at such intervals as Licensor deems reasonably necessary (which intervals shall include certain milestone events described on **Exhibit A**). Licensee shall give Licensor at least fifteen (15) days' notice prior to each of the events described in Exhibit A in order to enable Licensor to schedule its visit(s). However, the parties agree that despite its right to observe the construction pursuant to this Section 2.4.1, Licensor shall not be obligated to observe the construction of the Project or the Project Related Areas unless otherwise specified on Exhibit A. It is understood and agreed that Licensor is providing no construction management services, and that construction management shall be the sole responsibility of Licensee. To the extent that Licensor reasonably determines and provides notice to Licensee thereof that the Project, or the Project Related Areas, as constructed, furnished or equipped do not conform to the Design Standards confirmed in Section 2.1.1, or to the approved Plans, Licensee shall promptly correct or cause to be corrected such nonconforming work.

2.4.2 Model Units. Prior to construction of the Project, Licensee shall construct a model unit ("**Model Unit**") for review and approval by Licensor, such review and approval to include: (i) compliance with the Design Standards; (ii) the level of fit, finish and quality appearing in the units and the general arrangement of the unit; and (iii) FF&E installed in the Model Unit. Upon receipt by Licensor of written notice from Licensee of completion of the Model Unit, Licensor shall have thirty (30) days in which to review and approve the Model Unit. If Licensor disapproves any portion of any Model Unit, Licensor shall provide detailed written objections and describe the required changes to such Model Unit that would be required to satisfy the Design Standards and obtain the approval of Licensor. Upon receipt by Licensee of written notice from Licensor that the Model Unit has been approved, Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project in accordance with the level of fit, finish and quality appearing in, the general arrangement of, and the FF&E installed in, the approved Model Unit.

2.4.3 Shop Drawings & Submittal Reviews. Licensee shall submit to Licensor, for its approval, shop drawings, product data and samples generated by contractors or vendors (the "Submittals"), in accordance with the list of Submittals attached as **Exhibit B**.

2.4.4 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for construction and operation of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

2.4.5 Documents Upon Completion of Construction. Upon completion of construction of the Project, Licensee shall submit to Licensor: (i) an architect's certification that the Plans comply with all applicable legal requirements and that the Project has been constructed and completed in accordance with the Plans approved by Licensor; and (ii) a copy of the temporary or, if available, permanent certificate of occupancy for the Project. A copy of the permanent certificate of occupancy for the Project should be provided to Licensor by no later than thirty (30) days after receipt by Licensee.

ARTICLE 3

TECHNICAL SERVICES FOR EXISTING PROJECTS

3.1 Existing Project Refurbishment Conceptual and Schematic Design Phases

3.1.1 Preliminary Information. Licensor and Licensee acknowledge that it will become necessary to make certain renovations and undertake certain refurbishments to Existing Projects. Accordingly, Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team for the planning and design of such renovation and refurbishment activities. Unless a Refurbishment Review Waiver has been requested by Licensee, and approved by Licensor, all Plans for the renovation and refurbishment of an Existing Project shall incorporate the parameters described in the Design Standards and be evaluated based on the process described in this Article 3. Prior to commencing such renovation or refurbishment activities, representatives of Licensor and Licensee shall meet at the subject Existing Project for an initial review thereof. Licensor representatives shall cooperate with Licensee to agree upon conceptual refurbishment and renovation activities that will comply with the Design Standards.

3.1.2 Schematic Design Phase. Licensee shall, based upon and incorporating the information provided in accordance with Section 3.1.1, prepare or cause to be prepared and present to Licensor for approval, a conceptual design submittal that may include the following: a description of the proposed refurbishment or renovation plans; rendering and preliminary architectural plans; display boards

of fabrics, carpets, furnishings, finishes, and paints; lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.); other materials proposed to be incorporated into the Project; and a Variance Notice, if applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design presentation shall be made by Licensee's representatives at the corporate headquarters of Licensor in Bethesda, Maryland.

3.1.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 3.1.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval documents reasonably describing the Decorative Items to be installed in the Project and the installation locations or details therefor, and a Variance Notice, if applicable. Such information may include the description, quantity, recommended manufacturer and model number, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

3.2 Existing Project Refurbishment Construction Phase

3.2.1 Renovation and Refurbishment of Existing Project, Observations. Licensee shall renovate, refurbish, furnish and equip (or cause to be renovated, refurbished, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of such activities, Licensor shall visit the Project to assure compliance with the Design Standards and prior approvals. To the extent that Licensor determines that the Project, or the Project Related Areas, as renovated or refurbished, furnished or equipped do not conform to the Design Standards in place at the time the Project was reviewed by Licensor, Licensor shall promptly notify Licensee of such nonconformity in writing and Licensee shall promptly correct (or cause to be corrected) such nonconforming work.

3.2.2 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for renovation and refurbishment of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

ARTICLE 4

APPROVALS AND VARIANCES

4.1 Requests for Approval

4.4.1 Requests for Approval. Wherever in this Addendum the consent or approval of Licensor or Licensee is required, such consent or approval unless otherwise noted shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Licensor or Licensee fails to respond within fifteen (15) days to a request by the other party for a consent or approval, the other party shall provide notice to the nonresponsive party of its failure, and such party shall respond within five (5) days or such consent or approval shall be deemed to have been given, except (i) as otherwise expressly provided in this Addendum, or (ii) in the case of consents or approvals that may be granted or withheld in the sole discretion of a party, in which case a failure to respond shall be deemed to be a withholding of consent or approval. Upon obtaining approval from Licensor, Licensee may rely on such approval for purposes of advancing design, renovation, refurbishment and construction activities.

In the event Licensor disapproves a request for approval by Licensee, Licensor shall provide detailed written objections and describe the required changes to such request that are necessary to obtain the approval of Licensor.

4.4.2 Licensor's Approval of Variances. Licensee acknowledges that Licensor will, in its review process, provide comments on the plans and specifications. Such reviews do not relieve Licensee and its consultants of their responsibility with regard to determining the completeness of subsequent documents and compliance with the Design Standards. Licensee acknowledges that an approval by Licensor at any stage does not constitute an approval of a variation in Plans or Design Standards unless a Variance Notice covering the deviation has been properly submitted by Licensee and accepted by Licensor in writing.

4.4.3 Nonconformity. To the extent that Licensor determines that the Project as constructed, renovated or refurbished, furnished or equipped does not conform to the Design Standards agreed to by the parties consistent with this Addendum, or to the approved Plans, Licensor shall provide written notice thereof to Licensee providing a detailed description of such nonconformity. Upon receipt of such notice, Licensee shall promptly (i) correct (or cause to be corrected) such nonconforming work, (ii) commence and diligently pursue a correction to such nonconforming work, or (iii) provide Licensor with adequate assurances that such nonconforming work will be promptly remedied within thirty (30) days after receipt of written notice from Licensor.

ARTICLE 5

TECHNICAL SERVICES FEE

5.1 Technical Services Fee. Licensee shall pay to Licensor a fee for services rendered pursuant to this Addendum in accordance with the schedule of fees attached hereto as **Exhibit C** and incorporated herein by this reference.

ARTICLE 6

OPENING DATE

6.1 Opening Date. The Opening Date shall in no event be earlier than the date on which all of the following have occurred: (i) all licenses, permits, and other approvals and instruments necessary for operation of the Project (or phase thereof) have been obtained, and (ii) on the Opening Date there will be no ongoing construction on any portion of the Project (or phase thereof) that would materially adversely limit, restrict, disturb or interfere with the experience of the Project owners and guests. If, as of the Opening Date, there remain to be completed minor unfinished punchlist items or installation of incidental FF&E and Fixed Asset Supplies in the common areas, lobby, administrative offices or any units to be opened on the Opening Date, none of which preclude Licensee from operating the Project (or phase thereof) in accordance with the Design Standards, the Opening Date shall not be delayed for such reasons; however, Licensee shall be obligated to promptly finish such items pursuant to the requirements of this Addendum.

ARTICLE 7

INSURANCE

7.1 Insurance Required. At all times during the construction of the Project (where a certificate of occupancy has not been issued) during such construction or such later date as indicated below, Licensee shall, at its expense, procure and maintain (or cause its general contractor to procure and maintain) insurance protecting Licensee and Licensor against loss or damage arising out of or in connection with the construction of the Project.

1. Such insurance shall, at minimum include:

(a) Commercial general liability insurance in an amount not less than One Million Dollars ($1,000,000) per each occurrence with a general aggregate limit of not less than Two Million Dollars ($2,000,000). Such insurance shall include, but is not limited to, the following coverages or endorsements:

- Independent Contractors Liability
- For any time-share Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) three (3) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later. If a jurisdiction requires procurement of completed operations coverage or equivalent coverage, then such coverage will be procured as required by applicable law.
- For any residential or fractional Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) ten (10) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later, or (ii) such time frame as may be required to cover the statutory time frame for construction defects in the state or country where the Project is located. If such coverage is provided by the general contractor, evidence of insurance shall be provided for the entire statutory time frame.
- Explosion, Collapse and Underground Coverage

(b) Business auto liability including owned, non-owned and hired vehicles, with combined single limits for bodily injury and property damage in an amount not less than One Million Dollars ($1,000,000) per each occurrence.

(c) Umbrella or excess liability, on a following form, in an amount not less than:

a. Two Million ($2,000,000) Dollars per occurrence for projects with construction value equal to or less than $500,000 and the Project is not occupied

b. Four Million ($4,000,000) Dollars per occurrence for projects with construction value of $500,001 to $1,000,000 or if under $500,000 and the Project is occupied

c. Nine Million ($9,000,000) Dollars per occurrence for projects with construction value of $1,000,001 to $10,000,000;

d. Fourteen Million ($14,000,000) per occurrence Dollars for projects with construction value of $10,000,001 to $20,000,000;

e. Nineteen Million ($19,000,000) Dollars per occurrence for projects with construction value of $20,000,001 to $50,000,000;

f. Such greater amount as is reasonably determined by Licensor and Licensee where the total project construction costs are greater than Fifty Million Dollars ($50,000,000).

Such coverage shall be in excess of the insurance required under Section 7.1.A.1(a), Section 7.1.A.1(b), and the employers liability required under Section 7.1.A.1(f). The general aggregate shall apply in total to this Project only if coverage is provided by a general contractor and shall be reinstated annually during construction. Upon the latest to occur of substantial completion of the Project or the issuance of a certificate of occupancy for the Project, the coverage shall specifically include the completed operations liability (construction defects) in the amounts required under this Section 7.1.1.

(d) Builders risk insuring such risks as commonly covered by an “all risk of physical loss” form on a replacement cost basis covering equipment to be installed in, and supplies to be used at, the Project and all Project related areas, including contractors’ supplies, tools and equipment.

(e) Workers’ compensation insurance covering all of Licensee’s, its general contractors’, its subcontractors’ and its consultants’ employees, in statutory amounts and employers’ liability of not less than One Million Dollars ($1,000,000) for each accident.

7.2 General Provisions.

A. All insurance policies required under Section 7.1.A.1 .(a) and (b) shall include Licensor and its Affiliates as additional insureds. Licensee shall deliver to Licensor, upon commencement of construction of a Project, certificates of insurance, and if so requested copies of the insurance policies in the event of a claim, with respect to all policies required pursuant to Section 7.1 and, in the case of insurance policies about to expire, shall deliver certificates with respect to renewals thereof. If commercially available, such policies of insurance shall be endorsed to provide that the insurance shall not be canceled without at least thirty (30) days’ prior written notice to the certificate holder. For all the above coverages, Licensee shall, and shall cause the general contractor and all subcontractors to, waive their respective rights of recovery and its insurers’ rights of subrogation against Licensor and such coverage shall be primary and non-contributory to any other coverages Licensor may carry.

B. Licensee’s obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under any indemnification under this Agreement or the License Agreement. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 7.1 based on competitive terms and conditions in the jurisdiction of the Project. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects.

ARTICLE 8

MISCELLANEOUS

8.1 Relationship. In the performance of this Addendum, Licensor shall act solely as an independent contractor. This Addendum shall in no respect be interpreted, deemed or construed as making Licensor a partner, joint venturer with, or agent of, Licensee.

8.2 Third-Party Rights. Nothing herein shall be construed to give any rights or benefits hereunder to any person or entity, other than Licensee or Licensor, and the rights of third-party beneficiaries are hereby expressly negated.

8.3 Headings; Section References. The headings of Sections herein are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Addendum or any provision hereof. All references to Articles, Sections, paragraphs, clauses, exhibits, or addenda shall refer to the corresponding Article, Section, paragraph, clause of or exhibit or addendum attached to this Addendum unless otherwise specified.

8.4 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Addendum, or to exercise any option, right or remedy contained in this Addendum, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

8.5 Partial Invalidity. If any portion of any term or provision of this Addendum, or the application thereof to any person or circumstance shall be invalid or unenforceable, at any time or to any extent, the remainder of this Addendum, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Addendum shall be valid and be enforced to the fullest extent permitted by law.

8.6 Engagement of Third Party Consultants. Licensor may, at its own cost, engage third party consultants to perform some of its services under this Addendum.

EXHIBIT A
TO
DESIGN REVIEW ADDENDUM

MILESTONE EVENTS

Licensor will visit the Site for the purpose of performing its obligations under the Addendum at approximately the following times unless otherwise noted:

Commencement of metal stud installation in units.

**Completion of the Model Unit (fully finished and furnished).

**Licensee's kickoff meeting with the fire and life safety contractor

**After fire life safety equipment has been installed but prior to drywall/sheetrock.

Commencement of public space finishes.

Commencement of furniture installation.

**Final Acceptance.

In addition to the above-described milestone events, Licensor may visit the Site to observe the construction of the Project and Project Related Areas at such intervals as Licensor deems reasonably necessary.

** Indicates mandatory visit to the Project by the appropriate Licensor representative to participate in activities associated with milestone.

EXHIBIT B
TO
DESIGN REVIEW ADDENDUM

SUBMITTALS

REQUIRED SUBMITTAL FORM:
* Sample / ** Shop drawing / *** Manufacturers literature

DIVISION 5

Decorative Metal work (bar rail, wall trim, grills, etc.) **/***

DIVISION 6

Millwork, paneling, trim casework */**

DIVISION 7

Exterior finish materials and colors *

DIVISION 8

Public Space and Guest Unit doors and Hardware ***
Storefront including entrance and revolving doors ***

DIVISION 9

All finish material
(Interior Design installation drawings, specifications and sample/color book) *

DIVISION 10

Building signs **
Interior graphics */**

DIVISION 11

Front desk equipment ***
Kitchen and laundry equipment ***

DIVISION 12

All furniture, fabric and upholstery */**

DIVISION 13 - NA

DIVISION 14

Elevator cab interiors */**
Elevator equipment **/***

DIVISION 15

Major mechanical equipment & controls including:
Boilers, chillers, cooling tower, air handlers & pumps **/***
Mechanical room layout **
Fire Protection Systems ***/**
- Any exceptions to approved Design Documents

DIVISION 16

Fire Protection Systems **/***
- Any exceptions to approved Design Documents

EXHIBIT C
TO
DESIGN REVIEW ADDENDUM

TECHNICAL SERVICES FEE

Review Categories	Review Fees
New Projects and Conversions of Existing Projects	$ 80,000
Refurbishment/Renovation of Existing Projects	
Soft Goods Refurbishment Review	$ 6,000
Refurbishment/renovation Projects In Excess of Soft Goods Update	$ 15,000

The review fees ("**Review Fees**") shall be billed by Licensor to Licensee on a lump sum basis as indicated for each review category identified above. Licensee shall pay the Review Fees in four (4) quarterly and equal installments. The first installment shall be payable upon submission of the first documents/plans for review by Licensor. In the event a Project is terminated before fully-reviewed by Licensor, the parties shall reasonably pro-rate the Review Fees based on the actual review work performed by Licensor.

The Review Fees listed above are inclusive of all expenses, included, but not limited to, travel, telephone, shipping, equipment, supplies, physical reviews of the Project, document approval, attendance at design progress meetings and meetings held in conjunction with the milestone events described on Exhibit "A" to the Addendum, on-site inspections during design & construction, post construction services and all other meetings required to successfully complete the review of each Project for compliance with the Design Standards.

Within one hundred twenty (120) days following the second anniversary of the License Agreement, the parties shall meet to evaluate the Review Fees and again on each second anniversary thereof. In the event the Review Fees are less, or greater than, the actual cost incurred by Licensor in the review of Licensee's Projects, the Review Fees shall be re-negotiated by the parties to an amount anticipated to cover the reasonable costs thereof.

EXHIBIT H

EXISTING PROJECTS AT WHICH LICENSEE HAS NOT ENGAGED IN TRANSIENT RENTAL

Existing Projects for which Licensee has not notified Licensor of Licensee's intention to engage in transient rentals

Project Name	**Place**
None	

Existing Projects for which Licensee has notified Licensor of Licensee's intention to engage in transient rentals

Project Name	**Place**
Marriott Vacation Club at Empire Place	*(Bangkok, Thailand)*
Marriott Vacation Club at The Buckingham *(opening planned for mid-2012)*	*(Macau)*

EXHIBIT I

EXISTING GOLF FACILITIES

Facility Name	**Place**
Marriott's Grande Pines Golf Club	*(Orlando, Florida)*
Marriott's Grande Vista Golf Club	*(Orlando, Florida)*
Marriott's Kauai Lagoons Golf Club	*(Lihue, Hawaii)*
Marriott's Shadow Ridge Golf Club	*(Palm Desert, California)*
Marriott's Son Antem Golf Club	*(Mallorca, Spain)*
The Faldo Golf Institute by Marriott	*(Orlando, Florida)*
The Faldo Golf Institute by Marriott	*(Palm Desert, California)*

EXHIBIT J

PERMITTED LICENSEE AFFILIATE NAMES

Affiliate	Jurisdiction of Organization
United States Affiliates	
Marriott Kauai Ownership Resorts Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Overseas Owners Services Corporation	Delaware
Marriott Ownership Resorts Inc.	Delaware
Also does business under the names Faldo Golf Institute by Marriott; Grand Residences by Marriott; Horizons by Marriott Vacation Club; Marriott Vacation Club International; Marriott Vacation Club International, Corp.; Marriott's Mountainside Resort; Marriott's Summit Watch Resort; and Marriott's Waiohai Beach Resort	
Marriott Ownership Resorts Procurement, LLC	Delaware
Marriott Resorts Hospitality Corporation	South Carolina
Also does business under the names Horizons by Marriott Vacation Club; Marriott Vacation Club International; Marriott's Grand Chateau; Marriott's Legends Edge at Bay Point; Marriott's Oceana Palms; and Marriott's Villas at Doral	
Marriott Resorts Sales Company, Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Resorts Title Company Inc.	Florida
Also does business under the name Marriott Resorts Title, Inc.	
Marriott Resorts, Travel Company Inc.	Delaware
Also does business under the name Marriott Vacation Club International	
Marriott Vacation Club Ownership II LLC	Delaware
Marriott Vacation Club Ownership LLC	Delaware
Marriott Vacation Properties of Florida Inc.	Delaware
Marriott Vacations Worldwide Corporation	Delaware
Marriott's Desert Springs Development Corporation	Delaware
Non-United States Affiliates	
Marriott Ownership Resorts (Bahamas) Limited	Bahamas
Marriott Resorts Hospitality (Bahamas) Ltd.	Bahamas
Marriott Vacation Club Timesharing GmbH	Austria
Marriott Resorts Hospitality of Aruba, N.V.	Aruba
Marriott Ownership Resorts (St. Thomas), Inc.	Virgin Islands - US
Marriott Vacation Club International of Aruba N.V.	Aruba
Marriott Vacation Club International of Japan, Inc.	Japan
Promociones Marriott S.A. de C.V.	Mexico

EXHIBIT K
NEW PROJECT APPLICATION

I. PROJECT DESCRIPTION

Applicant: **Marriott Vacations Worldwide**

Date Submitted: _____

Project Description: _____

_____

_____

Brand(s):_____

Project Name (if known): _____

Number of Villas/Keys Planned: _____ Number of Floors: _____

		Villas	Keys
Destination Club Unit Mix:	Studios:		
	1-Bedroom:		
	2-Bedroom:		
	3-Bedroom:		
	4-Bedroom:		
	Other:		
	Lock-out Units		

		Villas	Keys
Residential Unit Mix:	Studios:		
	1-Bedroom:		
	2-Bedroom:		
	3-Bedroom:		
	4-Bedroom:		
	Other:		
	Lock-out Units		

On-Site Facilities

Restaurant Facilities /# of Seats: _____

Bars or Lounges: _____

Retail Shops: _____

Recreation/Golf/Spa:_____

Marketplace: _____

Sales Gallery: _____

Pools:_____

Play Areas: _____

Other: _____

Is the site co-located with any lodging or other facilities? If so, provide details.

_____

_____

If co-located with MI lodging, is a shared services and/or integration agreement contemplated? If so, provide details.

_____

Description of Site:

Total Square Footage of Site: _____ Acreage: _____

Site is controlled by MVW as follows:

( ) Owned by MVW ( ) Leased by MVW

( ) Purchase Contract ( ) Other: _____

If the site is currently owned by an entity other than the MVW, please provide the following information:

Fee Owner: _____
Street Address: _____
City, State, Zip Code, Country: _____
Phone Number: _____
Relationship to MVW, if any: _____

OTHER INFORMATION ABOUT THE SITE

Are there currently any existing moratoriums? ( ) Yes*( ) No
Are there any restrictions on the site that would necessitate special local variances (e.g., parking, signage, liquor licenses, etc.)? ( ) Yes*( ) No

_____

* Explain the situation(s) and your plans to resolve same (attach supplemental sheets if necessary):

_____

_____

_____

Please submit with your application:

(1) A copy of the deed, lease, purchase contract or other documents showing MVW's ownership or control of the site;
(2) A copy of the plat of the site and a site plan;*
(3) Photographs of site and surrounding land uses;
(4) A conceptual floor plan and elevation (may be omitted if prototype [Brand] or if only variation to prototype is the addition of rooms); and

(5) A map of the location.

* See Minimum Submission Requirements at Attachment A

II. PROPOSED DEVELOPMENT/CONVERSION COSTS AND PROJECTIONS

Property will be a: _____ New Development _____ Conversion/Renovation

If a new development, please complete Section II A and C and the remainder of this application. If a conversion/renovation, please complete Section II B and C and the remainder of this application.

A. NEW DEVELOPMENT

PROPOSED DEVELOPMENT COSTS:

Land Cost: $_____

Development Cost (Construction/Other): $_____

Total Cost: $ _____ Per Villa/Room: $_____ Per Residence $_____

Anticipated Construction Start: _____

Estimated Opening Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests:_____ Estimated gross contract sales:_____

Estimated number of Residential Units:_____ Estimated gross contract sales:_____

B. CONVERSION/RENOVATION

NAME OF PROPERTY AND CURRENT USE: _____

Acquisition Cost: $_____

Conversion Cost: $_____

Total Cost: $_____ Per Villa/Room: $_____

Year Built: _____

Anticipated Conversion/Renovation Start: _____

Estimated Conversion/Renovation Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests_____ Estimated gross contract sales: _____

Estimated number of Residential Units: _____ Estimated gross contract sales: _____

C. PROPOSED TRANSACTION SUMMARY

Please describe the proposed transaction terms and associated agreements, as well as results of the territorial search. _____

D. RENTAL PROGRAM

Please indicate if transient rental is contemplated and describe applicable rental program arrangements: _____

III. OWNERSHIP STRUCTURE AND DUE DILIGENCE

Please provide the information requested in this section for the property owner, if different, from Marriott Vacations Worldwide.

Owner Name: _____

A/an _____
(state)

( ) General Partnership ( ) Privately Held Corporation
( ) Limited Partnership ( ) Individual
( ) Public Corporation ( ) Joint Venture
( ) Trust ( ) Estate ( ) Other
( ) Syndicated Limited Partnership
( ) Limited Liability Company

MVW Interest in Owner:

Contact:

Name: _____
Title: _____
Street Address: _____
Phone Number: _____
Fax Number: _____
E-mail Address: _____
Tax ID No.: _____

Principal Correspondent:

Name: _____
Title: _____
Street Address: _____
Phone Number: _____
Fax Number: _____
E-mail Address: _____

Authorized Signer for Entity:

Name: _____
Title: _____

Please provide the following for each individual or entity that is related to the transaction.

Full Name	Home and Business Street Addresses, Phone Numbers, & Email Address	Description of Interest

ATTACHMENT A: MINIMUM SUBMISSION REQUIREMENTS

1. Facilities program summary describing the space requirements for all areas of the project and the project related areas (e.g., public spaces, kitchen, laundry, back office, etc.);
2. A listing of each operating function of the project and the “as designed” areas, and other documents reasonably necessary to represent the size, layout and quality of the project;
3. A colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers;
4. A site plan showing all site elements and proposed landscaping;
5. Floor plans, showing all spaces listed in the facilities program;
6. Unit layouts, in unit kitchen equipment (if applicable), closets, balconies and other major features;
7. Building elevations and sections, showing exterior materials, details and colors;
8. A rendered perspective drawing of the project; and
9. A description of the proposed exterior materials.

EXHIBIT L

PURCHASER DISCLOSURE STATEMENT

[Marriott Vacation Club International][1] independently owns and manages the *[Marriott Vacation Club]*[2] program. The programs and products provided under the *[Marriott Vacation Club]* brand are owned, developed, and sold by *[Marriott Vacation Club International]*, not by Marriott International, Inc. or any of its affiliates. *[Marriott Vacation Club International]* is an independent entity and is not an affiliate of Marriott International, Inc. *[Marriott Vacation Club International]* and its affiliates use the Marriott marks under license from Marriott International, Inc. and its affiliate, and the right to use such marks shall cease if such license expires or is revoked or terminated. Marriott International, Inc. and its affiliates make no representations, warranties, or guaranties, express or implied, with respect to the information contained in any offering documents or with respect to the *[Marriott Vacation Club]* program.

[1] Insert name of appropriate entity to which the disclosure relates.

[2] Insert name of appropriate product or program to which the disclosure relates.

LICENSE, SERVICES AND DEVELOPMENT AGREEMENT

BETWEEN

THE RITZ-CARLTON HOTEL COMPANY, L.L.C.

AND

MARRIOTT VACATIONS WORLDWIDE CORPORATION

FOR

RITZ-CARLTON PROJECTS

TABLE OF CONTENTS

LICENSE, SERVICES, AND DEVELOPMENT AGREEMENT

This License, Services, and Development Agreement ("License Agreement" or "Agreement") is executed on the 17th day of November, 2011, to be effective as of 12:01 am New York City time on the 19th day of November 2011 ("Effective Date") by The Ritz-Carlton Hotel Company, L.L.C., a Delaware limited liability company ("Licensor") and Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee").

RECITALS

A. Licensor owns, or has the right to use and sublicense, the Licensed Marks and the System.

B. Prior to the Spin-Off Transaction (defined below), Licensee was a wholly-owned subsidiary of Marriott International, Inc. and through affiliates has been operating the Destination Club Business and Whole Ownership Residential Business by developing, selling, marketing, operating and financing Destination Club Projects and Residential Projects under the Licensed Marks and the System since 1999 pursuant to an inter-company arrangement between Licensor and/or its Affiliates and Licensee.

C. As a result of the planned spin-off of Licensee pursuant to the Separation and Distribution Agreement (the "Spin-Off Transaction"), Licensee will no longer be a wholly-owned subsidiary of MII and will be a separate entity.

D. Licensee desires to continue operating the MVW Ritz-Carlton Business, including developing New Projects under the Licensed Marks and the System, and wishes to obtain a license to use the System and the Licensed Marks for these purposes.

E. Licensee desires to operate the Non-RCHC Managed Projects and wishes to obtain a license to use the System and Licensed Marks for these purposes.

F. Licensee or its Affiliates have or will engage Licensor or its Affiliates to manage the RCHC Managed Projects under separate RCHC Management Agreements and will not obtain a license to use the System or Licensed Marks with respect to the on-site operation of RCHC Managed Projects. Certain provisions of this Agreement will not apply, or may apply in a different manner, to RCHC Managed Projects, as contemplated herein, including in Section 27.

G. Licensor or its Affiliates will provide certain services to Licensee and its Affiliates with respect to the MVW Ritz-Carlton Business in accordance with the terms hereof.

H. Contemporaneously with the execution of this Agreement, Marriott International, Inc. and Marriott Worldwide Corporation (collectively, "Marriott") and Licensee are entering into a License, Services, and Development Agreement (the "Marriott License Agreement") under which, among other things, Licensee will be granted the right to the develop and operate Destination Club Projects and Residential Projects under the Marriott name and trademarks. Licensee acknowledges and agrees that the Marriott License Agreement shall govern the relationship between Marriott and Licensee with respect to such matters, and, except for the indemnity in Section 16.1.A., this Agreement shall not apply to such relationship.

I. All capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Exhibit A.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Licensee and Licensor agree as follows:

1. LICENSE

A. Subject to all of the reservations of rights and exceptions to and limitations on exclusivity set forth in this Agreement, the Noncompetition Agreement, and, with respect to the RCHC Managed Projects, Sections 1.B. and 27., Licensor hereby grants to Licensee within the Territory, and Licensee accepts, under the terms hereof:

(i) (w) a limited, exclusive license during the Term to use the names and marks described in (i) through (iv) and in (vii) of the definition of Licensed Marks and the System for the activities described in (i) through (vi) of the definition of Destination Club Business; (x) a limited, exclusive license during the Term to use the names and marks described in (i) and (ii) of the definition of Licensed Marks for the activities described in (vii) of the definition of Destination Club Business; (y) a limited, exclusive license during the Term to use the names and marks described in (iv) of the definition of Licensed Marks for the activities described in (vii) of the definition of Destination Club Business, subject, however, to Licensor's and its Affiliates' right to use the names and marks described in (iv) of the definition of Licensed Marks as set forth in the last sentence of Section 2.3.C; and (z) a limited, non-exclusive license during the Term to use the names and marks described in (iii) and (vii) of the definition of Licensed Marks and the System for the activities described in (vii) of the definition of Destination Club Business, all in connection with the operation of the Ritz-Carlton Destination Club Business, including the operation of Existing Projects and the development and operation of New Projects, in accordance with the System and this Agreement; and

(ii) (x) a limited, non-exclusive license during the Term to use the names and marks described in (iii) through (vii) of the definition of Licensed Marks and the System for the Whole Ownership Residential Business, in connection with the operation of the Ritz-Carlton Whole Ownership Residential Business, including the operation of Existing Projects and the development and operation of New Projects, in accordance with the System and this Agreement and (y) a limited, exclusive license during the Term to use the Licensed Project Names for the Whole Ownership Residential Business, in connection with the operation of the Ritz-Carlton Whole Ownership Residential Business, including the operation of Existing Projects and the development and operation of New Projects, in accordance with the System and this Agreement;

provided, however, that with respect to the license granted in this Section 1,

(a) Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee's or its Affiliates' use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A; and

(b) Licensee shall have no right under this Agreement to develop, own, operate, or manage, as applicable, any Ritz-Carlton Destination Club Products other than as Leisure/Vacation Products.

Such limited license grant in this Section 1 also includes any nonexclusive uses of Licensor Intellectual Property permitted during the "tail period" as set forth in Section 4.2. Except for the rights granted exclusively in this Agreement, the rights granted in this Agreement are non-exclusive.

B. Notwithstanding anything to the contrary in Section 1.A., the license granted in Sections 1.A(i) and (ii) does not include the right to conduct on-site operations of RCHC Managed Projects under the designated Licensed Marks or the System since such on-site operations are conducted by Licensor or its Affiliate under the applicable RCHC Management Agreement.

C. The limited license grant herein also includes the non-exclusive right by Licensee to use the name and mark "Ritz-Carlton" as part of "Ritz-Carlton Golf" (but not the name "Ritz-Carlton" used by itself or with other words, terms, designs or other elements) in connection with the operation of golf facilities, including the Existing Golf Facilities, under the "Ritz-Carlton Golf" name and in connection with the development and operation of future golf facilities that are located at or in the general vicinity of New Projects and that have been approved in writing by Licensor in accordance with the terms and conditions of this Agreement. All such golf facilities shall be developed and operated in accordance with the Brand Standards. If Licensor or its Affiliates provide support or services to Licensee or its Affiliates in connection with such golf facilities operating under the "Ritz-Carlton Golf" name, Licensee shall pay the applicable fees to Licensor or its Affiliates for such services and/or support. Such fees will be fair, commercially reasonable, and, if applicable, consistent with fees charged to third parties for similar services and support related to such facilities.

D. Licensee shall have no right to use the Licensed Marks or Branded Elements in connection with the development or sales or the marketing, operating, managing or financing of units in a Condominium Hotel.

E. The parties acknowledge that Licensor is party to the RHL Agreement with RHL, under which Licensor has the right to use and sublicense the name "Ritz" as part of the names and marks described in (i) through (ii) and (iv) through (vi) of the definition of Licensed Marks. With respect to the RHL Territory, Licensor is sublicensing to Licensee its right under the RHL Agreement to use the name "Ritz" as part of such Licensed Marks referenced herein, and the grant of rights set forth in this Agreement are subject to the RHL Agreement. Licensor will provide Licensee with a true and correct copy of the RHL Agreement and any amendments thereto promptly after execution thereof. Licensee must comply with all terms and provisions in the RHL Agreement with respect to Licensee's and its Affiliates' activities in the RHL Territory.

2. NONCOMPETITION AGREEMENT; EXCLUSIVITY AND RESERVED RIGHTS

2.1 Noncompetition Agreement.

In partial consideration for the parties' agreement to enter into this Agreement, Marriott International, Inc. and Licensee have entered into a Noncompetition Agreement ("Noncompetition Agreement") contemporaneously herewith under which Licensor and Marriott International, Inc. have agreed to certain noncompetition covenants. Licensee hereby agrees to comply with the terms of the Noncompetition Agreement, and Licensor hereby agrees to comply with the terms of the Noncompetition Agreement as if Licensor were Marriott International, Inc. thereunder.

2.2 Exclusivity.

A. Subject to the Noncompetition Agreement, the Marriott License Agreement, and Sections 2.3, 2.5, and 8.3. during the Term, neither Licensor nor its Affiliates will within the Territory:

(i) use, or license any third party to use, the Licensed Marks or the name and mark "Ritz-Carlton" (other than as part of one or more corporate names of Licensor or its Affiliates) or the Branded Elements in connection with (u) developing or operating Destination Club Projects; (v) developing, selling, marketing, managing, operating, or financing Destination Club Products or Destination Club Units; (w) developing, selling, marketing, or operating Exchange Programs; (x) managing rental programs associated with Destination Club Products; (y) establishing or operating sales facilities for Destination Club Products; or (z) managing member services related to Destination Club Products.

(ii) use, or license any third party to use, (x) the marks identified in (i), (ii), and (iv) of the definition of the Licensed Marks in connection with managing any businesses or services that are ancillary to the Destination Club Business or the Whole Ownership Residential Business or (y) the marks identified in (i), (ii), and (iv) of the definition of the Licensed Marks (subject, however, to the last sentence of Section 2.3.C.) in connection with managing any businesses or services that are ancillary to the Lodging Business, such as travel insurance, or amenities of a Destination Club Project, Residential Project, or Licensor Lodging Facility, such as country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops; but, for the avoidance of doubt, this provision does not prohibit Licensor from engaging in such businesses or providing such services under "Ritz-Carlton," the Lion & Crown Logo in any form, or other names or marks not contained within (i), (ii), and (iv) of the definition of the Licensed Marks; or

(iii) use, or license any third party to use, the MVW Ritz-Carlton Business Customer Information in connection with the marketing or selling of interests in Destination Club Units; provided, however, that to the extent that Customer Information concerning Licensor's Lodging Business includes MVW Ritz-Carlton Business Customer Information, such Customer Information may be used in such marketing or selling so long as such customers' ownership of Ritz-Carlton Destination Club Products is not used specifically to target such customers in connection with such marketing and sales activities.

B. Neither Licensor nor its Affiliates will use the Licensed Project Names in connection with any Destination Club Project, Residential Project, or as the primary brand name for a Licensor Lodging Facility; provided, however, that Licensor and its Affiliates have no obligation to prohibit or otherwise restrict third-party owners, developers, managers, licensees or franchisees of Licensor Lodging Facilities from using such words in connection with a Destination Club Project or Residential Project if such words are already in use or established prior to Licensor's involvement with the Project, whether it is a part of, or adjacent to, any such Licensor Lodging Facility or otherwise.

2.3 Licensor's Reserved Rights.

A. Licensee agrees that, except as set forth in Section 2.2, in the Marriott License Agreement, and in the Noncompetition Agreement, Licensor and its Affiliates expressly retain the right to (i) engage in any Destination Club Business under existing brands and brands that Licensor or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensor Intellectual Property in connection therewith; (ii) engage in any Whole Ownership Residential Business under existing brands and brands that Licensor or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensor

Intellectual Property in connection therewith; (iii) accept advance deposits or payments for stays at Licensor Lodging Facilities; or (iv) accept multi-year advanced bookings for stays at Licensor Lodging Facilities (provided that any such multi-year advance bookings relate to specific, identified Licensor Lodging Facilities and not on a systemwide basis); all provided that, unless Licensee otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensee Intellectual Property.

B. For avoidance of doubt, Licensor and its Affiliates expressly retain the right to use the name and mark "Ritz-Carlton" (but not the name and mark "Ritz-Carlton Destination Club", in such exact order and form) and/or the Lion & Crown Logo in any form in connection with branding a passenger ship or cruise line or lodging facilities on a passenger ship or cruise line, provided, that Licensor and its Affiliates shall not use the Branded Elements for developing, selling, marketing, managing, operating, or financing Destination Club Products or Destination Club Units on a passenger ship or cruise line.

C. Licensee agrees that Licensor and its Affiliates expressly retain the right to (i) engage in the Lodging Business and any other business operations except the exclusively licensed aspects of the Destination Club Business, subject to the Noncompetition Agreement, the Marriott License Agreement, and Sections 2.2 and 2.5; (ii) allow other Licensor Lodging Facilities operated, licensed, or franchised by Licensor or its Affiliates to use various components of the System (including the Reservation System) that are not used exclusively in connection with the Destination Club Business; and (iii) use the name and mark "Ritz-Carlton" in any form (but not the name and mark "Ritz-Carlton Destination Club", in such exact order and form, and subject to the last sentence in Section 2.3.C, not the name and mark "Ritz-Carlton Club", in such exact order and form), the Lion & Crown Logo in any form and Branded Elements in connection with developing, selling, marketing, managing, operating, and financing units in a Condominium Hotel; all provided that, unless Licensee otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensee Intellectual Property. Without limiting Section 2.2, Licensee acknowledges that Licensor and its Affiliates use the "Ritz-Carlton Club" name and mark and Branded Elements in connection with services and facilities provided at Ritz-Carlton Hotels, and Licensee shall not challenge the use of "Ritz-Carlton Club" and Branded Elements for concierge/executive levels; golf clubs, tennis clubs, health clubs, or other sports clubs; restaurants, bars, lounges, day clubs, night clubs, or spas, all at or in connection with or in the general vicinity of existing and future Ritz-Carlton Hotels or Ritz-Carlton Residential Projects, or other uses that exist as of the Effective Date by Licensor or its Affiliates of "Ritz-Carlton Club" at or in connection with existing or future Ritz-Carlton Hotels or Ritz-Carlton Residential Projects; provided, however, that Licensor and its Affiliates will not use the name "Ritz-Carlton Club" (in such exact order and form) to brand condominiums at Condominium Hotels or Residential Projects, or in connection with the marketing or sale thereof.

D. Licensor reserves all rights in the Licensor Intellectual Property not expressly and exclusively granted to Licensee in this Agreement, including without limitation any individual elements or components thereof.

E. Licensee acknowledges and agrees that, notwithstanding anything in this Agreement to the contrary, Licensor shall not be restricted in any manner from using the terms "vacation", "resort", "club", "lodge", "villa", "destination", or similar terms in connection with the development, promotion, or operation of any of Licensor's businesses or any geographic or locational aspect or designation that is part of a Licensed Project Name, for example, Licensor and its Affiliates would not be prohibited from using the term "Bachelor Gulch" or "Gulch", even though "Bachelor Gulch" is a Licensed Project Name.

F. The Ritz-Carlton Destination Club Business licensed hereunder excludes any passenger cruise ship or cruise line interests, usage rights, products or services; provided, however, that (i) in the event that Licensor acquires the right to offer cruise services using the Licensed Marks in the RHL Territory, then at Licensee's request, Licensor shall engage in good faith discussions with Licensee regarding the use by Licensee of the Licensed Marks for Destination Club Units on passenger cruise ships, and (ii) Licensee shall have the right to offer usage rights on third party passenger cruise ships through an Exchange Program associated solely with Ritz-Carlton Destination Club Products provided to Members.

2.4 Licensee's Reserved Rights.

A. Licensor agrees that, except as set forth in the Noncompetition Agreement and the Marriott License Agreement, Licensee and its Affiliates expressly retain the right to engage in the Lodging Business; all subject to Section 9.3.B. and provided that, unless Licensor otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensor Intellectual Property or the Branded Elements.

B. Licensor agrees that, except with respect to such limitations as are set forth in this Agreement solely with respect to the MVW Ritz-Carlton Business and in the Marriott License Agreement with respect to the Marriott Licensed Business, Licensee and its Affiliates expressly retain the right to (i) engage in any Destination Club Business, including under existing Licensee brands and brands that Licensee or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensee Intellectual Property in connection therewith; and (ii) engage in any Whole Ownership Residential Business, including under existing Licensee brands and brands that Licensee or its Affiliates may develop or acquire in the future, without restriction of any kind, and to use and sublicense the use of the Licensee Intellectual Property in connection therewith; all provided that, unless Licensor otherwise agrees in writing, no such activities above may involve or utilize in any way the Licensor Intellectual Property or the Branded Elements, other than in connection with the MVW Ritz-Carlton Business and the Marriott Licensed Business.

C. Licensee reserves all rights in the Licensee Intellectual Property, including without limitation any individual elements or components thereof.

D. Licensor acknowledges and agrees that, other than as set forth in Section 2.5.B, Licensee shall not be restricted in any manner from using the terms "hotel", "inn", or similar terms in connection with the development, promotion, or operation of any of Licensee's businesses.

2.5 Similar Lines of Businesses.

A. Subject to the Permitted Territorial Restrictions, nothing in this Agreement or in the Noncompetition Agreement is intended to prevent Licensor or its Affiliates from remaining competitive in its core Lodging Business due to the evolution of such business over time. Licensee agrees that Licensor and its Affiliates shall have the right to develop, offer, operate, market and promote products, benefits, services and rewards under any of the Proprietary Marks (other than the names and marks "Ritz-Carlton Destination Club" or, subject to the acknowledgment in the last sentence of Section 2.3.C., "Ritz-Carlton Club", each in such exact order and form) and using the Branded Elements that fall within the definition of "Ritz-Carlton Destination Club Business", but only to the extent that such products, benefits, services and rewards are substantially similar to the products, benefits, services and rewards that are not currently, but may in the future be, provided by other international hotel operators or franchisors as part of their hotel business (and not as a separate line of business). Licensor must give prior notice to Licensee if it intends to offer such products, benefits, services or rewards at least thirty (30)

days prior to offering such products, benefits, services or rewards. Licensor and its Affiliates shall not call or refer to any of its properties (or any such products, benefits, services or rewards) as “timeshare”, “fractional” “vacation club”, or “destination club” or similar terms commonly used for Destination Club Projects.

B. Subject to the Permitted Territorial Restrictions and Section 8.3, nothing in this Agreement or in the Noncompetition Agreement is intended to prevent Licensee or its Affiliates from remaining competitive in its core Destination Club Business due to the evolution of such business over time. Licensor agrees that Licensee and its Affiliates shall have the right to develop, offer, operate, market and promote products, benefits, services and rewards under the Licensed Marks that do not fall within the definition of Ritz-Carlton Destination Club Business, but only to the extent that that such products, benefits, services and rewards are substantially similar to the products, benefits, services and rewards that are not currently, but may in the future be, provided by other developers or operators in the Destination Club Business at a quality level equivalent to the Luxury Brand Segment, as part of their Destination Club Business (and not as a separate line of business). Licensee must give prior notice to Licensor if it intends to offer such products, benefits, services or rewards at least thirty (30) days prior to offering such products, benefits, services or rewards. Licensee and its Affiliates shall not (i) operate, manage, license, or franchise properties that are primarily operated as hotels (i.e., facilities containing dedicated rooms for transient rental, except as specifically provided in Section 9.2) as part of the MVW Ritz-Carlton Business, (ii) call or refer to any Ritz-Carlton Destination Club Projects or Ritz-Carlton Residential Projects as “hotels”, “inns” or similar terms commonly used for hotels, except as specifically approved in writing by Licensor or as referred to on Licensor’s or its Affiliates’ websites or in collateral or Marketing Content prepared by Licensor and its Affiliates; provided, however, that the foregoing shall not be construed to impact classification of Ritz-Carlton Destination Club Projects for zoning, licensing or other regulatory purposes, even if such use is characterized as “hotel use” or “transient use” for such purposes (Licensor acknowledges that the foregoing shall not restrict Licensee from using any of the following terms commonly used for Destination Club Projects: “resort”, “club”, “villa”, “chateau”, “house”, “manor”, “tower”, “lodge”, “residence” or similar terms), or (iii) engage in activities that would breach any Permitted Territorial Restrictions.

C. In the event that Licensor’s or its Affiliates’ exercise of their rights under Section 2.5.A. has a material adverse effect on the Ritz-Carlton Destination Club Business, or Licensee’s or its Affiliates’ exercise of their rights under Section 2.5.B. has a material adverse effect on Licensor’s or its Affiliates’ hotel business (or either party notifies the other that the exercise of such rights has the potential to have a material adverse effect on the other party’s business), then the parties shall meet to discuss alternative approaches to mitigating such effect, or agree to some other arrangement acceptable to both parties. In the event the parties are unable to agree on such an arrangement, then either party shall have the right to have the matter decided by a panel of three (3) Experts pursuant to Section 22.5; provided, that any remedy shall be limited to a reduction or increase, as applicable, in the Royalty Fees payable hereunder from and after the date of the resolution by the Experts (and not retroactively for fees already paid or due).

3. FEES

3.1 Royalty Fees.

A. Licensee shall pay to Licensor a Destination Club Royalty Fee in an amount equal to:

(i) (a) two percent (2%) of the Gross Sales Price with respect to initial sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an

Ownership Interest, in Ritz-Carlton Destination Club Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights, or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle, and (b) one percent (1%) of the Gross Sales Price with respect to re-sales of such interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Ritz-Carlton Destination Club Units, plus

(ii) (a) two percent (2%) of the Gross Commissions with respect to initial sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Ritz-Carlton Destination Club Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights, or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle (and Licensee or its Affiliates have no ownership or other beneficial interest in the interest conveyed and are making such sales only on a commission basis) and (b) one percent (1%) of the Gross Commissions with respect to re-sales by Licensee or its Affiliates on behalf of unrelated third parties of such interests held by such unrelated third parties in Ritz-Carlton Destination Club Units (and Licensee or its Affiliates have no ownership or other beneficial interest in the interest conveyed and are making such sales only on a commission basis).

For purposes of clarification, any sale or re-sale that is subject to a royalty pursuant to Section 3.1.A(i) shall not be subject to a royalty pursuant to Section 3.1.A(ii).

B. Licensee shall pay to Licensor a Residential Royalty Fee in an amount equal to:

(i) (a) two percent (2%) of the Gross Sales Price with respect to initial sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Ritz-Carlton Residential Units, whether directly or through the issuance of beneficial interests, or other ownership interests, in a land trust or similar real estate vehicle, and (b) one percent (1%) of the Gross Sales Price with respect to re-sales of interests held by Licensee, its Affiliates, or entities in which Licensee or its Affiliates hold an Ownership Interest, in Ritz-Carlton Residential Units, plus

(ii) (a) two percent (2%) of the Gross Commissions with respect to initial sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Ritz-Carlton Residential Units (and Licensee or its Affiliates have no ownership or other beneficial interest in such Ritz-Carlton Residential Units and are making such sales only on a commission basis) and (b) one percent (1%) of the Gross Commissions with respect to re-sales by Licensee or its Affiliates on behalf of unrelated third parties of interests held by such unrelated third parties in Ritz-Carlton Residential Units (and Licensee or its Affiliates have no ownership or other beneficial interest in such Ritz-Carlton Residential Units and are making such sales only on a commission basis).

For purposes of clarification, any sale or re-sale that is subject to a royalty pursuant to Section 3.1.B(i) shall not be subject to a royalty pursuant to Section 3.1.B(ii).

C. (i) The sale of interests that were previously sold to end-user customers and are subsequently repurposed as other types of interests (for example, interests that are initially sold in the form of a weeks-based Destination Club Product and are subsequently repurposed in the form of a trust-based beneficial interest Destination Club Product or interests that are initially sold as interests in Residential Units and are subsequently repurposed as interests in Destination Club Units) shall be considered a re-sale for purposes of Section 3.1.A and 3.1.B.

(ii) A sale occurs with respect to the initial sale or re-sale of an interest in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units when all of the following conditions have been satisfied:

(a) A written agreement ("Purchase Contract") is executed by a purchaser and has been accepted by Licensee or its Affiliates pursuant to which such purchaser contractually commits to acquire such interest;

(b) With respect to purchase money financing provided by or through Licensee or its Affiliates, if any, such purchaser has duly executed all applicable sales and purchase money financing documents in respect of such Purchase Contract;

(c) Such purchaser has duly tendered payment of the full purchase price in respect of such Purchase Contract (or full installment thereof in the case of purchase money financing, as applicable) by cash, by check which has cleared, or by credit card which has been duly processed) to either (x) Licensee or its Affiliates or (y) a fiduciary, escrow agent, trustee or other independent third-party designated by Licensee or its Affiliates, as may be required by law;

(d) All rescission periods applicable to such Purchase Contract have expired, without any such right of rescission having been exercised; and

(e) All pre-conditions set forth in such Purchase Contract and any legal requirements under Applicable Law in order to close the transaction which is the subject of the Purchase Contract as set forth in such Purchase Contract shall have been duly satisfied, without the purchaser having exercised any right of cancellation afforded such purchaser under the terms of such Purchase Contract or under Applicable Law.

(iii) The conversion of interests that were previously sold to end-user customers on an equivalent value basis into other types of interests that derive their value from the interests being converted (for example, interests that are initially sold in the form of a weeks-based Destination Club Product and are subsequently converted to a trust-based beneficial interest Destination Club Product) shall not be considered an initial sale or a re-sale for purposes of Section 3.1.A.

(iv) The exchange of interests that were previously sold to end-user customers for initial developer inventory (whether weeks-based, points-based, or otherwise) shall be considered an initial sale of such initial developer inventory for purposes of Section 3.1.A.

(v) The exchange of interests that were previously sold to end-user customers for inventory that had been previously sold to an end-user customer (whether weeks-based, points-based, or otherwise) shall be considered a re-sale of such inventory for purposes of Section 3.1.A.

D. The Gross Sales Price shall, for purposes of calculating the Royalty Fees under Sections 3.1.A and 3.1.B, include the amount of any newly-created initial or ongoing, recurring, or installment fees or charges that may be imposed by Licensee or its Affiliates after the Effective Date that are currently included, free of separate charge, for the rights, benefits and services currently obtained by purchasers of interests in Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units, respectively, upon payment of the purchase price thereof (other than promotional or trial features for

which separate fees or charges may be contemplated), or the amount by which any other fees existing as of the Effective Date are increased after the Effective Date, as a direct or indirect offset to any decrease in the purchase price of an interest in a Ritz-Carlton Destination Club Unit. In the event any such new or changed fee or charge is implemented, the Royalty Fee shall be restructured such that the amount of the Royalty Fee Licensor receives is not reduced as a result of the implementation of such new or changed fee or charge, which restructuring may, by agreement of the parties, include adding to the Gross Sales Price the net present value of fees or charges that are paid on an ongoing, recurring, or installment basis discounted by discount rate of ten percent (10%).

E. The Gross Sales Price shall, for purposes of calculating the Royalty Fees under Sections 3.1.A and 3.1.B, exclude the amount attributable to a gross up for imputed interest associated with a zero percent (0%) or below market interest rate program used in relation to financing a purchaser's acquisition of interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units, but only where the Gross Sales Price is offered at different amounts to the customers on a programatic basis, depending on the financing or payment terms selected by the customer.

F. The Royalty Fees shall be earned as and when a contract for the sale of an interest in a Ritz-Carlton Destination Club Unit or a Ritz-Carlton Residential Unit, as applicable, is closed, regardless of when, or whether, any part of the Gross Sales Price or Gross Commissions, as applicable, are actually paid to, or received by or on behalf of, Licensee and/or its Affiliates. For the avoidance of doubt, the Royalty Fees shall not be due for any interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units for which the sales contracts were signed prior to 12:01 am Eastern Standard Time on December 3, 2011, regardless of when such sales contracts actually close.

3.2 Usage Fees and Reimbursable Expenses; Maintenance Costs; Reimbursements of Amounts Due Under RHL Agreement.

A. Licensee shall pay to Licensor or its Affiliates the Licensor Usage Fees for ongoing services provided by Licensor and/or its Affiliates, including the use of certain Electronic Systems and other systems, copyrights, and other materials owned by Licensor or its Affiliates, as applicable, under this Agreement and the related reimbursable expenses in accordance with the practices of the parties as of the date of the Spin-Off Transaction, to be documented by the parties. If Licensee fails to pay to Licensor or its Affiliates any Licensor Usage Fees or related reimbursable expenses, Licensor may provide notice to Licensee of Licensor's intention to offset any amounts that Licensor may owe to Licensee hereunder by the amount of the Licensor Usage Fees or reimbursable expenses owed by Licensee or its Affiliates. If Licensee notifies Licensor in writing that it disputes that such amounts are due within ten (10) business days following the date on which Licensor provided the notice of its intention to offset such amounts, Licensor will not offset such amounts until such dispute is resolved. If Licensee does not dispute that such amounts are owed within such timeframe, Licensor may offset such amounts. Licensor's offset of such amounts shall be deemed a waiver by Licensor and its Affiliates of damages and extra-contractual remedies arising out of or related to Licensee's failure to pay such amounts. If Licensor elects to offset such amounts, and Licensee requests supporting documentation in writing, Licensor will provide Licensee with documentation evidencing in reasonable detail the amount of, and the manner of calculating, such offset.

B. With respect to any systems and materials that Licensee owns and licenses to Licensor, Licensor will pay to Licensee the applicable usage fee as determined by Licensee on a fair, commercially reasonable and non-discriminatory basis. Licensor will have the right to offset any amounts that Licensor may owe to Licensee under this Section 3.2.B against amounts that Licensee owes to Licensor under this Agreement, in which case Licensor shall provide notice to Licensee of Licensor's election to offset such amounts not less than fifteen (15) business days prior to the date on which the

payment from Licensee to be offset is due. If Licensor fails to pay to Licensee or its Affiliates (or provide an offset as contemplated in the immediately preceding sentence for) any amounts owed under this Section 3.2.B, Licensee may provide notice to Licensor of Licensee's intention to offset any amounts that Licensee may owe to Licensor hereunder by the amount owed by Licensor or its Affiliates to Licensee or its Affiliates under this Section 3.2.B. If Licensor notifies Licensee in writing that it disputes that such amounts are due within ten (10) business days following the date on which Licensee provided the notice of its intention to offset such amounts, Licensee will not offset such amounts until such dispute is resolved. If Licensor does not dispute that such amounts are owed within such timeframe, Licensee may offset such amounts. Licensee's offset of such amounts shall be deemed a waiver by Licensee and its Affiliates of damages and extra-contractual remedies arising out of or related to Licensor's failure to pay such amounts. If Licensee elects to offset such amounts, and Licensor requests supporting documentation in writing, Licensee will provide Licensor with documentation evidencing in reasonable detail the amount of, and the manner of calculating, such offset.

C. Licensee shall reimburse Licensor and its Affiliates for all royalty, license, and other fees and other amounts due to RHL under the RHL Agreement in connection with the development, use, lease, marketing, and/or sale of interests in Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units at Projects within the RHL Territory. Licensor will not agree to an amendment of the RHL Agreement (i) to increase such fees without Licensee's prior written consent, unless Licensor agrees to pay the amount of any increase in such fees, as and when due, or (ii) in a manner that will otherwise materially adversely affect Licensee's rights hereunder.

3.3 Other Charges; Changes to Fees, Expenses and Charges; Other Costs.

A. Licensee must pay to Licensor or its Affiliates an amount specified by Licensor for (i) any training (including tuition, supplies, and Travel Expenses and allocations of internal costs and overhead of Licensor and its Affiliates) in which Licensee participates, (ii) purchasing, staging, programming, installing, interfacing and upgrading of Hardware and Software for Electronic Systems as set forth in Section 10.1, (iii) any goods or services purchased, leased or licensed by Licensee from Licensor or an Affiliate of Licensor, and (iv) any programs of Licensor or its Affiliates in which Licensee participates.

B. Charges for items described in Sections 3.2 and 3.3.A. will be calculated as follows: (i) where participation is mandatory or necessary for the operation of the MVW Ritz-Carlton Business such charges (including expenditures made by a marketing fund) will be determined on a fair and commercially reasonable basis and in a manner consistent with the manner in which such charges are made with respect to the Licensor Lodging Facilities receiving the services or participating in the programs and systems to which such fees, expenses or costs are applicable and, where appropriate, shall take into account the manner and extent to which such services, programs, or systems are used by the MVW Ritz-Carlton Business; and (ii) where such participation is optional or is not necessary for the operation of the MVW Ritz-Carlton Business, such charges will be determined in a manner consistent with the manner in which such charges are made with respect to the Licensor Lodging Facilities receiving the services or participating in the programs or systems to which such fees, expenses, or costs are applicable. Licensor may change the fees, expenses, and costs payable under Sections 3.2 or 3.3.A. for services that Licensee receives and programs and Electronic Systems in which Licensee participates to reflect the following: (i) any increase or decrease in the costs and expenses of providing the relevant service; (ii) any change in the method Licensor uses to determine allocation of the applicable payments; or (iii) any change as a result of competition in the business which is the subject of the MVW Ritz-Carlton Business, including changes to the basis for charging for the Usage Fees for Electronic Systems. Licensor will notify Licensee of any such change in the ordinary course of business.

3.4 Travel Expenses and Reimbursement.

Licensee must pay to Licensor all Travel Expenses for: (i) individuals who provide initial, ongoing, and remedial training under this Agreement; and (ii) Licensor's and its Affiliates' corporate and regional representatives visiting any of the Projects or Licensee's corporate offices for re-inspections following any failed inspection conducted under the Quality Assurance Program. In addition to such Travel Expenses, Licensee must reimburse Licensor, or such other Person designated by Licensor, for the salary and other compensation of any individuals providing training with respect to any Project or the MVW Ritz-Carlton Business or conducting re-inspections, and arrange for lodging at the Project (or, if space is unavailable at the Project, at another lodging facility of comparable quality to Licensor Lodging Facilities) for any inspector on official duty for such time as may be reasonably necessary and to Licensor's representatives or independent auditors while conducting and completing audits pursuant to Section 15.3. Licensee shall not be obligated to provide accommodations or pay Travel Expenses in excess of what would be required under Licensor's internal travel reimbursement policies; provided, however, that such reimbursements shall not include first class air travel.

3.5 Marketing and Sales Fees and Charges.

A. Licensor may propose marketing or sales programs in which Licensee may elect to participate. If Licensee elects to participate in any such program, Licensee shall pay the applicable fees and charges for Licensee's participation in such program. The determination of the fees and charges for Licensee's participation in such programs shall, where appropriate, take into account the relevant differences between the MVW Ritz-Carlton Business and the other participants in such programs.

B. Licensee may propose marketing or sales programs in which Licensor may elect to participate. If Licensor elects to participate in any such program, Licensor shall pay the applicable fees and charges for Licensor's participation in such program. Licensee acknowledges that the funds Licensor uses to pay any such fees or charges for participation in any such program may be derived from Licensor Lodging Facilities or marketing fund(s) to which Licensor Lodging Facilities contribute. The determination of the fees and charges for Licensor's participation in such programs shall, where appropriate, take into account the relevant differences between the Licensor's Lodging Business and the other participants in such programs.

3.6 Making of Payments; Delegation of Duties and Performance of Services.

A. The Royalty Fees payable under Section 3.1 shall be paid within fifteen (15) days following the end of each calendar quarter during the Term and during the tail period contemplated in Section 4.2.B for the immediately preceding Accounting Period quarter along with any reports required under Section 15.2. All other payments required by this Agreement, whether payable by Licensee or its Affiliates to Licensor or its Affiliates or by Licensor or its Affiliates to Licensee or its Affiliates, will be made within thirty (30) days after receipt by Licensee or its Affiliate or Licensor or its Affiliate, as the case may be, of each statement for such payment. Payments due to either party or their respective Affiliates, unless otherwise agreed, will be paid by wire transfer of immediately available funds by Licensee to Licensor or by Licensor to Licensee, as applicable, in the United States to the accounts designated by the receiving party.

B. Licensor has the right to have any service or obligation of Licensor under this Agreement be performed by an Affiliate of Licensor, and Licensee agrees to accept performance by such Affiliate. Licensor may designate that payment be made to one of its Affiliates instead of Licensor, and Licensee and its Affiliates must make such payments as designated; provided, however, that Licensee and its Affiliates shall have no obligation to pay more than it otherwise would have paid had Licensor not made such designation.

C. To the extent that Licensee has the right under this Agreement to have any service or obligation of Licensee under this Agreement be performed by an Affiliate of Licensee, Licensor agrees to accept performance by such Affiliate. Licensee may designate that payment be made to one of its Affiliates instead of Licensee, and Licensor and its Affiliates must make such payments as designated; provided, however, that Licensor and its Affiliates shall have no obligation to pay more than it otherwise would have paid had Licensee not made such designation.

3.7 Interest on Late Payments.

If any payment due under this Agreement is not received by the party to which such payment is due on or before its due date, such payment will be deemed overdue, and paying party must pay to the receiving party, in addition to the overdue amount, interest on such overdue amount which will accrue at a rate per annum equal to the Interest Rate from the date such overdue amount was due until paid. Interest is not in lieu of any other remedies the receiving party may have.

3.8 Currency and Taxes.

A. All amounts payable to Licensor or Licensee or their respective Affiliates under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum and, except as expressly otherwise agreed to by the parties, any other payments required for services provided to Licensee or its Affiliates by Licensor or its Affiliates pursuant to this Agreement, including those provided under Section 11.2 (including any judgment or arbitral award) must be paid in United States Dollars (collectively, “Payment Obligations”).

B. Licensee and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensee and its Affiliates by any Tax authority relating to the Projects and the MVW Ritz-Carlton Business, Licensee, its Affiliates, this Agreement, the Payment Obligations, or in connection with the operation of the Projects or the MVW Ritz-Carlton Business.

C. Subject to Section 3.8.D., Licensor and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensor and its Affiliates by any Tax authority relating to the Projects and the MVW Ritz-Carlton Business, Licensor, its Affiliates, this Agreement, the Payment Obligations, or in connection with the operation of the Projects or the MVW Ritz-Carlton Business.

D. Except with respect to the Royalty Fees required to be paid under Section 3.1, any amount to be paid or reimbursed under this Agreement to Licensor or Licensee or their respective Affiliates, for reimbursable expenses, including Travel Expenses, shall be made free and clear and without deduction for any Taxes so that the amount actually received in respect of such payment (after payment of Taxes) equals the full amount stated to be payable in respect of such payment. To the extent any Applicable Law requires or allows deduction, payment or withholding of Taxes to be paid by the paying party directly to a governmental authority, the paying party must account for and pay such amounts promptly and provide to the receiving party receipts or other proof of such payment promptly upon receipt.

4. TERM

4.1 Initial Term.

The initial term of this Agreement begins on the Effective Date and expires December 31, 2090 (the "Initial Term").

4.2 Extension Term; Tail Period.

A. With respect to the Non-RHL Territory,

(i) Licensee shall have the right to obtain two (2) additional extension terms of thirty (30) years each (each, an "Extension Term"). Licensee must meet the following conditions in order to obtain each Extension Term: (a) Licensee must provide Licensor with notice of its desire to obtain the applicable Extension Term not earlier than January 1, 2050 or later than December 31, 2080 for the first Extension Term and not earlier than January 1, 2080 or later than December 31, 2110 for the second Extension Term; (b) Licensee must obtain an extension term with respect to the Marriott License Agreement pursuant to the terms and conditions thereof corresponding to the Extension Term obtained under this Agreement; and (c) the sale of interests in Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units during the twelve (12) months immediately preceding the date of such notice must have generated twenty-five million dollars ($25,000,000) or more in revenues from the Gross Sales Prices.

(ii) For a "tail period" of thirty (30) years following the end of the Initial Term (if Licensee does not exercise its right to obtain an Extension Term), the first Extension Term (if Licensee does not exercise its right to obtain a second Extension Term), or the second Extension Term, as applicable (but not following any termination of this Agreement under Section 18), Licensee shall be entitled (but not required) to continue to operate the then-existing Ritz-Carlton Destination Club Projects and Ritz-Carlton Residential Projects (including any New Projects under development as contemplated in (y) below) in the Territory (provided, however, Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee's or its Affiliates' use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A.), provided that such operation is in compliance with the terms and conditions of this Agreement. The parties agree that (x) the exclusivity granted in Section 1.A. and the restrictions and limitations on Licensor and its Affiliates in Section 2.2 shall immediately cease and be of no further force or effect as of the first day of the tail period and (y) Licensee shall have no right to propose New Projects during the tail period (but will have the right to continue and complete the development of any New Projects that have been approved by Licensor pursuant to this Agreement prior to the commencement of the tail period). All other applicable terms and conditions of this Agreement, including, without limitation, the requirement to pay the Royalty Fees and other amounts under Sections 3 and 11, shall remain in place and be applicable during the tail period.

B. With respect to the RHL Territory, Licensee shall have the same extension rights provided for in Section 4.2.A., but only to the extent that the term of the RHL Agreement is so extended. If such RHL Agreement term extension is obtained after January 1, 2078, Licensee shall have five (5) years after Licensee receives notice of such extension in order to provide notice to Licensor of its election to obtain the first Extension Term. If the RHL Agreement expires or is terminated for any reason prior to expiration or termination of this Agreement and if such expiration or termination of the RHL Agreement results in Licensor losing the ability to license the Licensed Marks to Licensee in the RHL Territory, then

the license of the Licensed Marks and the System with respect to the RHL Territory shall expire on the date on which the RHL Agreement expires or is terminated, Licensee shall have no right to operate under the Licensed Marks or the System within the RHL Territory during any "tail period" following such expiration or termination, and Licensee shall also have the right to terminate this Agreement with respect to the Non-RHL Territory in connection with the expiration or termination of the RHL Agreement upon notice to Licensor, which Licensee must provide to Licensor within one hundred eighty (180) days following the date on which the license of the Licensed Marks and the System with respect to the RHL Territory expires pursuant to this sentence.

5. EXISTING PROJECTS; DEVELOPMENT RIGHTS AND RESTRICTIONS

5.1 Existing Projects.

A. The Existing Projects are listed on Exhibit B to this Agreement. Licensee may continue to operate the Existing Projects under the System and Brand Standards in accordance with the terms and conditions of this Agreement. Each Existing Project may operate only under the applicable Project name set forth in Exhibit B, which Project name may be changed only in accordance with the naming protocol set forth in the Brand Standards.

B. In the event that Licensee delegates (or prior to the Effective Date has delegated) the authority to operate an Existing Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to operate the applicable Existing Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to operate the Existing Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such Existing Project. Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement entered into hereunder promptly following its execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement. Except to the extent required by Applicable Law, Licensee shall not amend or otherwise modify any such sublicense agreement without Licensor's prior written approval.

5.2 New Projects.

A. Licensee shall provide Licensor with an application ("New Project Application") in the form attached hereto as Exhibit K for each proposed New Project. The form of New Project Application may be modified by Licensor as required for compliance with Applicable Law or as mutually agreed by the parties hereto.

B. Licensor may reject a proposed New Project only if:

(i) Licensor determines that the proposed New Project does not meet the applicable Brand Standards related to construction and design or that the location of the proposed New Project does not meet applicable Brand Standards or is otherwise not appropriate for the proposed New Project;

(ii) Licensor determines that the development of the proposed New Project would breach, or be reasonably likely to breach, any Permitted Territorial Restrictions or restrictions imposed by Applicable Law on Licensor and its Affiliates;

(iii) Licensor determines that it is unable, or it is not feasible for Licensor, to manage the proposed New Project in compliance with Brand Standards (other than a proposed New Project that meets the requirements of Section 8.3.B(ii) and that a Management Company approved by Licensor will manage as a Non-RCHC Managed Project);

(iv) the proposed New Project will involve a co-investor with Licensee and such co-investor is (a) a Lodging Competitor of Licensor, (b) is known in the community as being of bad moral character, (c) has been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or more (or is in control of or controlled by Persons who have been convicted in any court of felonies or such offenses), or (d) is, or has an Affiliate that is, a Specially Designated National or Blocked Person;

(v) Licensee or its Affiliate, as applicable, fails or refuses to undertake at the time that the New Project Application is submitted to execute an RCHC Management Agreement for such proposed New Project under which Licensor or its Affiliate will provide on-site management of the proposed New Project at least thirty (30) days prior to the opening of the applicable New Project to the public for business and, in fact, execute such RCHC Management Agreement within such timeframe, unless such proposed New Project is a Non-RCHC Managed Project pursuant to Section 8.3.B. The fee payable to Licensor or its Affiliate under such RCHC Management Agreement must be consistent with past practice and the then-prevailing market conditions; or

(vi) Licensee or its Affiliate fails or refuses to undertake at the time that the New Project Application is submitted to execute an operating agreement with the applicable Property Owners' Association at least thirty (30) days prior to the opening of the applicable New Project to the public for business and, in fact, execute such operating agreement within such timeframe. Such operating agreement shall not include any material changes from the form of operating agreement that is generally in use as of the Effective Date that are materially adverse to Licensee or Licensor as reasonably determined by Licensor, and such operating agreement must accommodate the then-current RCHC Management Agreement template.

Any proposed New Projects that are Non-RCHC Managed Projects pursuant to Section 8.3.B. and that are located in a larger development that includes Destination Club Units or Residential Units that has a separate identifying name shall be identified using the following (or substantially similar) convention: "The [Ritz-Carlton Club][Ritz-Carlton Residences] at [name of project in which units are located]."

If Licensor does not approve the proposed New Project under Sections 5.2.B(i), (ii), (iii), (iv), (v), or (vi) above and Licensee disagrees with such determination, then Licensee may refer the matter for Expert resolution pursuant to Section 22.5. The Expert shall make its determination based upon whether Licensor's rejection was reasonable, given the market positioning and Brand Standards applicable to the proposed New Project. Additionally, if Licensor did not approve the proposed New Project based on its determination that the location of the proposed New Project did not meet applicable Brand Standards or was otherwise not appropriate for the proposed New Project, the Expert shall determine whether the proposed location would be appropriate for Ritz-Carlton Hotels based on the market positioning and brand standards applicable to Ritz-Carlton Hotels, and if the Expert determines that the proposed location would be so appropriate, then the proposed location shall be deemed appropriate for the proposed New Project.

C. Each New Project may operate only under the applicable Project name agreed to by the parties in accordance with the naming protocol set forth in the Brand Standards, which Project name may be changed only in accordance with the naming protocol set forth in the Brand Standards.

D. (1) In the event that Licensee delegates the authority to develop a New Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to develop such New Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to develop the New Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such New Project.

(2) In the event that Licensee delegates the authority to operate a New Project to an Affiliate, Licensee shall sublicense to such Affiliate the right to operate such New Project under the form of sublicense agreement attached as Exhibit E, under which such Affiliate will be required to operate the New Project in accordance with the sublicense agreement and the terms and conditions of this Agreement, and such Affiliate will agree to be bound by the same responsibilities, limitations, and duties of Licensee under this Agreement with respect to such New Project.

(3) Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement entered into hereunder promptly following its execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement. Except to the extent required by Applicable Law, Licensee shall not amend or otherwise modify any such sublicense agreement without Licensor's prior written approval.

E. If the offer or execution of the sublicense agreement for any Existing Project or proposed New Project (including any New Project that is to be developed through a third party) results in a requirement for Licensee to comply with regulatory requirements, including, without limitation, the preparation and provision to the Project developer of a disclosure document or filing of the disclosure document or other documents with regulatory authorities, Licensee shall comply with such regulatory requirements at its sole cost and expense and provide Licensor with evidence satisfactory to Licensor of Licensee's compliance therewith within the timeframe required by the applicable regulations. If Licensor determines that Licensor is required to comply with such regulatory requirements in connection with any Existing Project or proposed New Project, Licensee will fully cooperate with Licensor with respect to Licensor's compliance requirements, and Licensor will not charge Licensee any amounts for costs incurred by Licensor in connection with Licensor's compliance requirements.

F. Notwithstanding anything in Section 5.2.B. to the contrary, Licensor has the right to approve or reject proposed New Projects that include Ritz-Carlton Residential Units in Licensor's sole discretion; provided, however, that, instead of Licensor's sole discretion, the approval conditions in Section 5.2.B. shall apply if Licensee wishes to pursue the development, sale, marketing, operation, or financing of Ritz-Carlton Residential Units as part of a Ritz-Carlton Destination Club Project ("Mixed-Use Project"), where both (i) the number of Ritz-Carlton Destination Club Units in such Mixed-Use Project is at least thirty-five percent (35%) of the combined number of Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units in such Mixed-Use Project, and (ii) the total number of Ritz-Carlton Residential Units in such Mixed-Use Project is thirty-five (35) or fewer. Additionally, Licensor hereby pre-approves Residential Units to be developed at Licensee's Existing Projects, subject to such Residential Units meeting the then-current Design Guide for new Ritz-Carlton Residential Units.

G. All New Projects that are added to Licensed Non-Site Specific Destination Club Programs must initially be operated under the Licensed Marks in accordance with the System and this Agreement, it being acknowledged that such New Projects are subject to being Deflagged in accordance with the terms of this Agreement. At Licensor's request, Licensee's rights to include a Non-Site Specific Destination Club Ownership Vehicle as part of a Licensed Non-Site Specific Destination Club Program shall be discontinued if at any time the aggregate interests in Ritz-Carlton Destination Club Units that are held by such Non-Site Specific Destination Club Ownership Vehicle is less than one-half (1/2) of the aggregate interests in all Destination Club Units that are held by such Non-Site Specific Destination Club Ownership Vehicle.

H. Pursuant to Section 5.2.G. of the Marriott License Agreement, Licensee shall have the right to include inventory of Destination Club Units in Existing Projects and Residential Units in Existing Projects as part of Licensed Destination Club Products (as defined in the Marriott License Agreement) under the Marriott License Agreement, provided, that Licensee provide prior notice to Licensor thereof.

I. With respect to any new Ritz-Carlton Residential Projects, Licensor will agree not to develop, operate, or authorize a third-party to develop or operate a Ritz-Carlton Residential Project for a period of four (4) years from the commencement of residential sales, or the initial sale of all of the Ritz-Carlton Residential Units in such Project, whichever comes first, within a geographic area to be agreed to by the parties on a case-by-case basis based on market characteristics and other relevant factors. Licensee shall only have the right to develop and sell one (1) such Mixed-Use Project within any such territorial area for the term of the territorial restriction.

5.3 Undeveloped Parcels Pre-Approved.

Parcels owned by Licensee or its Affiliates but which have not been developed as of the Effective Date are listed on Exhibit B-1 ("Undeveloped Parcels"). Licensor hereby approves the Undeveloped Parcels as sites for Projects; provided, however, that Projects developed on any such Undeveloped Parcel must be developed and operated in accordance with the terms and conditions of this Agreement, including, without limitation, Section 6.3 and the then-current Brand Standards related to construction and design for New Projects.

5.4 Projects Located at Hotels other than Licensor Lodging Facilities.

A. Licensee will not develop any New Projects that are located in, co-located in conjunction with, or are otherwise a part of a hotel ("Co-Located Hotel") that is not a Licensor Lodging Facility without using commercially reasonable efforts to secure for Licensor a right to negotiate with the owner of the Co-Located Hotel for the management of the Co-Located Hotel by Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel). Additionally, if Licensee or one of its Affiliates is the owner of the Co-Located Hotel, Licensee or its Affiliate will negotiate with Licensor in a commercially reasonable manner to enter into a management agreement with Licensor or its Affiliate (if Licensee does not intend to manage the Co-Located Hotel) on Licensor's or its Affiliate's then-current form of management agreement with such changes as Licensee and Licensor or its Affiliate agree. Licensee shall provide Licensor with notice (the "Negotiation Opportunity Notice") of any such proposed New Project and the opportunity for Licensor to negotiate for the management of the Co-Located Hotel.

B. Notwithstanding the foregoing, subject to Licensor's approval of the New Project, which approval may be granted or withheld in Licensor's reasonable business judgment, Licensee shall have the right to develop any New Project that is located in, co-located with, or are otherwise a part of (i) a Co-Located Hotel that is subject to a hotel management or other agreement which would preclude Licensor and its Affiliates from managing or franchising such Co-Located Hotel; (ii) a Co-Located Hotel with respect to which Licensor does not wish to enter into a management agreement; or (iii) a Co-Located Hotel with respect to which Licensor and the hotel owner cannot agree on the terms of a management agreement within sixty (60) days after the date on which Licensor receives the Negotiation Opportunity Notice. In such event, Licensor may require that Licensee and the hotel owner agree to reasonable restrictions on the sharing of entrances, signage, facilities and services to ensure a level of brand separation sufficient to avoid customer confusion as to the relationship between the Project and the Co-

Located Hotel as determined by Licensor in its reasonable business judgment having regard to (x) what restrictions are practicable and feasible based on the physical configuration of the Project, the Co-Located Hotel, the development in which they are situated, and any applicable ingress and egress constraints and (y) exceptions to such restrictions then in effect that Licensor customarily has agreed to in previous similar situations.

C. The provisions of Sections 5.4.A and 5.4.B shall not apply to any Co-Located Hotel that is or has been Deflagged as a Licensor Lodging Facility. Upon the Deflagging as a Licensor Lodging Facility of a Co-Located Hotel, Licensor and Licensee will use good faith efforts to agree to reasonable parameters for providing appropriate brand separation to the extent commercially feasible.

D. Any disputes regarding this Section 5.4 shall be subject to Expert resolution pursuant to Section 22.5.

5.5 Prohibitions To Be Included in Future Management Agreements.

A. Licensor will include in the initial draft of future Ritz-Carlton Hotel management and operating agreements with third-party hotel owners and in future license and development agreements for Residential Projects to be operated under the Proprietary Marks, prohibitions on the operation, promotion and sale of interests in Destination Club Projects, other than Ritz-Carlton Destination Club Projects, at the applicable hotel or Residential Project and attempt to persuade such third-party hotel owners to agree to retain such prohibitions in the applicable agreements. However, Licensor will not be required to offer any concessions to such third-party hotel owners in order to retain such prohibitions in the applicable agreements.

B. Licensee acknowledges and agrees that, provided Licensor meets the requirements of Section 5.5.A. as expressly set forth therein, neither Licensor nor its Affiliates will have any liability under this Agreement for failure to obtain such prohibitions in such agreements under this Section 5.5. This Section 5.5 shall not affect any other obligations of Licensor and its Affiliates hereunder.

5.6 Destination Club Projects at Third-Party Owned Ritz-Carlton Hotels.

If a third-party developer of a Ritz-Carlton Hotel desires to have a Destination Club Project as a component of or adjacent to such Ritz-Carlton Hotel project (the “Co-Located Ritz-Carlton Hotel”), Licensor will use commercially reasonable efforts to secure for Licensee a right to negotiate with such developer regarding Licensee’s involvement in such Destination Club Project. Licensor shall provide Licensee with notice (the “Negotiation Opportunity Notice”) of any opportunity for Licensee to negotiate regarding Licensee’s involvement in such Destination Club Project. If Licensee declines to participate or cannot reach agreement with such developer and Licensor regarding Licensee’s involvement in such Destination Club Project within sixty (60) business after the date on which Licensee receives the Negotiation Opportunity Notice, then Licensor will have the right to proceed (and permit such developer to proceed) with such Destination Club Project without Licensee’s involvement. Licensor shall not use or permit the use of any of the Licensed Marks or Branded Elements in connection with such Destination Club Project; provided, however, that (x) the marketing, offering, and selling of units in any such Destination Club Project at the Co-Located Ritz-Carlton Hotel to any Person, including guests of the Co-Located Ritz-Carlton Hotel, whether or not such guest is a member of any Brand Loyalty Program, provided, that such Destination Club Project is not affiliated with a Destination Club Competitor (y) the placing of overflow guests of the Co-Located Ritz-Carlton Hotel in such Destination Club Project on a transient basis, and (z) the offering of potential customers of such Destination Club Project stays at the Co-Located Ritz-Carlton Hotel in connection with the marketing and sale of the units of such adjacent Destination Club Project, shall not be deemed to be a violation hereof.

5.7 Limitations on MVW Ritz-Carlton Business; Compliance with Contractual Restrictions.

A. Licensor shall not enter into any contract or agreement that purports to limit or restrict Licensee's or its Affiliates' right to engage in the Ritz-Carlton Destination Club Business or the Ritz-Carlton Whole Ownership Residential Business. Provided, that the Agreed Territorial Protections (defined below) contain an express carve-out for the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business, (i) nothing in this Section 5.7.A will restrict or limit Licensor's or its Affiliates' ability to grant territorial protections ("Agreed Territorial Protections") solely with respect to hotels, resorts and other lodging facilities to owners, developers, operators, lessees, licensees, or franchisees of any Licensor Lodging Facilities, and (ii) Licensor will not be in breach of this Agreement as a result of the grant of such Agreed Territorial Protections or the enforcement or the attempted enforcement of such Agreed Territorial Protections against Licensee or its Affiliates by such owners, developers, operators, lessees, licensees, or franchisees.

B. Licensee agrees to abide by (i) all territorial and other contractual restrictions applicable to Licensor and/or its Affiliates relating to the Ritz-Carlton Destination Club Business and Ritz-Carlton Whole Ownership Residential Business that are in effect as of the Effective Date and (ii) all territorial and other contractual restrictions that are agreed to after the Effective Date with Licensee's consent (the restrictions described in clauses (i) and (ii) above are referred to as "Permitted Territorial Restrictions"). Neither Licensor nor its Affiliates will agree to an extension of the duration, or a broadening of the scope, of any Permitted Territorial Restriction without Licensee's consent; provided, however, that nothing herein shall prohibit Licensor or its Affiliates from extending or renewing agreements containing such Permitted Territorial Restrictions in accordance with the terms of such agreements, even if such extension or renewal has the effect of extending the duration of any such Permitted Territorial Restriction.

C. Licensee shall not enter into any contract or agreement that purports to limit or restrict Licensor's or its Affiliates' right to develop, operate, sell, market, license, or franchise Licensor Lodging Facilities or Residential Units, except as otherwise provided hereunder, or any other activity or business of Licensor or its Affiliates, other than as set forth in any hotel management agreement entered into between Licensee and Licensor, or their respective Affiliates.

5.8 Delegation of Certain Functions; Sublicensing of Marketing Functions.

A. Licensee may delegate property-level, non-management functions of the MVW Ritz-Carlton Business related to recreational activities at Non-RCHC Managed Projects to vendors without Licensor's consent, provided, that (i) such delegated or subcontracted functions are conducted in accordance with the Brand Standards and this Agreement; (ii) such delegated or subcontracted functions are covered by insurance policies that satisfy the applicable requirements of Sections 16.2 and 16.4; and (iii) any party to which such function has been delegated or subcontracted and that will have access to any Licensor Confidential Information agrees to keep such Licensor Confidential Information confidential in accordance with this Agreement.

B. Licensee may delegate non-management functions of the MVW Ritz-Carlton Business involving regional and/or local sales and marketing (including brokerage arrangements) of Ritz-Carlton Destination Club Products and Ritz-Carlton Residential Units for Ritz-Carlton Residential Projects to any Affiliate or unrelated third party, provided, that (i) Licensee must ensure such functions

are conducted in accordance with the Brand Standards and this Agreement; (ii) such functions are covered by insurance policies that satisfy the applicable requirements of Sections 16.2 and 16.4; (iii) any party to which such function has been delegated or subcontracted and that will have access to any Licensor Confidential Information agrees to keep such Licensor Confidential Information confidential in accordance with this Agreement; (iv) any Affiliate to which such function has been delegated or subcontracted will agree to be bound by the same responsibilities, limitations, and duties of Licensee hereunder that have been delegated to such party, and any third party to which such function has been delegated will agree to be bound by certain terms and conditions as set forth in the applicable sublicense and undertaking; and (v) where the sublicense of the right to use the Licensed Marks and System is required in Licensor's judgment, (i) if the sublicensee is an Affiliate of Licensee, Licensee shall sublicense to such Affiliate the right to use the Licensed Marks and the System, as necessary to fulfill such function(s) under a sublicense agreement in a form substantially similar to the form attached hereto as Exhibit E and (ii) if the sublicensee is an unrelated third party, Licensee shall sublicense to such third party the right to use the Licensed Marks, as necessary to fulfill such function(s) under an undertaking and sublicense that contains provisions in a form substantially similar to the provisions set forth in Exhibit F. Such delegation shall not result in a novation of any of Licensee's obligations under this Agreement. Licensee shall provide Licensor with a fully-executed copy of each sublicense agreement and undertaking entered into hereunder promptly following their execution and will notify Licensor in writing upon the termination or expiration of any sublicense agreement or undertaking. Licensee shall not, without Licensor's prior consent in Licensor's sole discretion, delegate such functions to an unrelated third party who is known in the community as being of bad moral character; has been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or more (or is in control of or controlled by Persons who have been convicted in any court of felonies or such offenses); is a Specially Designated National or Blocked Person; or is a Lodging Competitor.

Licensee acknowledges that RHL may have certain consent rights with respect to Licensee's sublicensing as described above within the RHL Territory.

C. Notwithstanding Section 5.8.B. and subject to Section 8.3.,

(i) Except as provided in Section 5.8.A., no property-level, non-management functions of the MVW Ritz-Carlton Business at Projects, such as housekeeping and security, that do not involve the sales or marketing of Ritz-Carlton Destination Club Products or Ritz-Carlton Residential Units may be delegated without Licensor's prior consent, which consent Licensor may grant or withhold in its sole discretion.

(ii) Licensee may not delegate any of the key functions of the MVW Ritz-Carlton Business, including Member services, brand-level marketing, and substantially all of the consumer financing servicing function of the notes for which Licensor or any of its Affiliates is a guarantor, without Licensor's consent in Licensor's reasonable business judgment.

Notwithstanding Sections 5.8.A. and B., subject to Section 8.3.B(iv), Licensee may not delegate to any person who is not a Related Party any of the key functions of the MVW Ritz-Carlton Business, including Member services, senior management of any Project, brand-level marketing, and substantially all of the consumer financing servicing function of the notes for which Licensor or any of its Affiliates is a guarantor, without Licensor's consent in Licensor's reasonable business judgment. For avoidance of doubt, Licensee shall be permitted to delegate any of the functions of the MVW Ritz-Carlton Business to a Related Party without Licensor's consent, subject in each case to execution of a sublicense agreement in accordance with Section 5.1, 5.2, and 5.8 hereof to the extent required

thereunder. For purposes of this Section 5.8.C, "Related Party" means (i) any wholly-owned subsidiary of Licensee or (ii) any Affiliate of Licensee in which an unrelated third-party holds a passive, minority interest in such Affiliate and such unrelated third-party will not be involved in the performance of any of the key functions of the Licensed Business that are delegated to such Affiliate.

6. SOURCING; DESIGN REVIEW; CONSTRUCTION, CONVERSION AND RENOVATION

6.1 Furniture, Fixtures, Equipment, Supplies, and Signage.

Licensee will use at the Projects only such signs, supplies, fixtures and other items that conform to the Brand Standards. If Licensor or its Affiliates have contracts in effect as of the Effective Date with any supplier under which developers, owners, managers, franchisees, or licensees of Licensor or its Affiliates must purchase particular items, Licensee must purchase such item(s) from such supplier(s). However, Licensee will not be obligated to participate in any such purchasing or supply arrangements which are initiated following the Effective Date.

6.2 Design Review.

The plans and specifications for each New Project shall be subject to Licensor's review and, upon reasonable notice, inspection to ensure that they are in compliance with Brand Standards (subject to Project-specific variations to the Brand Standards that may be agreed to by the parties) and with Licensee's obligations hereunder in accordance with the Design Review Addendum, the form of which is attached hereto as Exhibit G, and each such Project shall be submitted to Licensor's design review process for review, comment, and approval. Licensee shall pay (or cause to be paid) to Licensor or its Affiliate a fixed fee for such review activities in accordance with the Design Review Addendum. Licensee agrees that, as between Licensee and its Affiliates on the one hand and Licensor and its Affiliates on the other hand, Licensee and its Affiliates (and not Licensor and its Affiliates) are responsible for: (i) ensuring that any design, construction documents, specifications, and any work related to the Projects complies with all Applicable Laws, including any requirements relating to disabled persons; (ii) any errors or omissions; or (iii) discrepancies of any nature in any drawings or specifications. Licensee further acknowledges and agrees that: (a) any review by Licensor or its Affiliates of plans for any Project is limited solely to determining whether the plans comply with the Brand Standards; and (b) Licensor and its Affiliates will have no liability or obligation with respect to the construction, conversion, renovation, upgrading or furnishing of the Projects other than as set forth in the Design Review Addendum.

6.3 Site Inspection.

For each New Project that Licensor approves, Licensor will have the right to visit (at Licensor's cost) the job site in order to observe and inspect the work solely to ensure compliance with the Brand Standards and this Agreement.

6.4 Construction/Conversion/Renovation.

Licensee shall construct, convert or renovate (or cause to be constructed, converted or renovated), as the case may be, each New Project in accordance with the Design Review Addendum, the Brand Standards, and this Agreement, and such construction, conversion, or renovation shall not be at Licensor's or its Affiliates' cost or expense.

7. SYSTEM AND STANDARDS

7.1 Brand Standards.

A. Licensee shall comply with the Brand Standards in all matters with respect to the operation of the MVW Ritz-Carlton Business, including, without limitation, the following to the extent each relates to the MVW Ritz-Carlton Business: the use of the Licensed Marks; the provision of Member services; employee training; the development, construction, equipping, maintaining, and operating of all Ritz-Carlton Destination Club Projects and Ritz-Carlton Residential Projects; and all sales and marketing activities.

B. Without limiting the foregoing, all usage of the Licensed Marks shall be in strict accordance with the then-current Brand Style and Communications Standards to the extent such use is described in the Brand Style and Communications Standards; provided, however, nothing in this sentence shall limit Licensor's right to modify the Licensed Marks in accordance with Section 13.2(B)(3). Otherwise, such usage shall be in strict accordance with the Brand Standards related to the Licensed Marks, which shall be subject to modification in Licensor's sole discretion. Licensor shall make available to Licensee the Brand Standards related to the Licensed Marks as well as any modifications thereto. Licensee shall have a reasonable period of time determined by Licensor to implement any modifications made by Licensor to the Brand Standards related to the Licensed Marks, such as being permitted to exhaust current supplies of collateral, taking into consideration Licensee's contractual commitments and the applicable Ritz-Carlton Hotel implementation schedule with respect to such modifications.

C. Licensor shall have the right to review (on a periodic basis) Marketing Content and other communications using Licensed Marks and to review significant changes in such programs implemented throughout the MVW Ritz-Carlton Business and significant changes in templates that are widely-used in the MVW Ritz-Carlton Business, all of which must be in compliance with the Brand Standards at all times. The distribution, marketing and advertising channels for all Projects shall be consistent with the positioning of the MVW Ritz-Carlton Business and Ritz-Carlton Hotels. The parties agree to conduct reviews of such channels no less often than annually at the annual meeting contemplated in Section 11.2.E.

D. Licensee will (i) house on its system the Brand Standards described in the definition of "Brand Standards" to be housed by Licensee and (ii) provide Licensor with access to such Brand Standards at all times. Licensor will (i) house on its system the Brand Standards described in the definition of "Brand Standards" to be housed by Licensor and (ii) provide Licensee with access to such Brand Standards at all times.

7.2 Modification of Brand Standards.

A. Licensor and Licensee recognize that they are each leaders in the Lodging Business and the Destination Club and Whole Ownership Residential Businesses, respectively, and that the Brand Standards should reflect the parties' expertise in their respective businesses.

B. (i) Licensor expressly reserves the right to modify the Brand Standards to make appropriate changes consistent with changes to Licensor's brand standards for Ritz-Carlton Hotels, but only to the extent applicable to the MVW Ritz-Carlton Business and with appropriate modifications to reflect appropriate differences between hotel service levels and service levels applicable to the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business. Licensor shall provide notice to Licensee of any such modifications proposed by Licensor.

(ii) Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensee's prior written consent, which shall not be unreasonably withheld; provided, however, that Licensee shall have no right to consent to modifications: (1) in fire and life safety components of the Brand Standards (although Licensee may request that Licensor's life safety committee consider such exceptions as Licensee may propose); (2) to Brand Standards related to food safety, and global safety and security; (3) in the Electronic Systems Standards, subject, however, to Section 10.1.B (provided that such modifications do not conflict with Data Protection Laws that apply to the MVW Ritz-Carlton Business, and if such conflicts would result from the modification, the parties will seek to resolve such conflict, and Licensee will comply with a standard that does not conflict with Licensee's obligations under Data Protections Laws that most closely addresses the requirements of the modified Brand Standard); (4) to the cross-selling standards and protocols applicable to all Licensor Lodging Facilities as such standards and protocols apply to inventory in the Reservation System; (5) the Brand Standards related to any of the Licensed Marks described in (vii) of the definition of Licensed Marks and/or the appearance, including the color, font, stylization, script, or format, of the Lion and Crown Logo or the words "Ritz-Carlton" used as part of the Licensed Marks, subject in each case to the requirements of Section 13.2.B(3); or (6) that are required by Applicable Law. Licensor agrees that if Licensor changes the cross-sell standards or protocol, Licensor will do so only if there is a bona fide commercial basis for such change that is consistent with Licensor's reasonable business judgment as set forth in Section 21.1 and is not motivated by a desire to reallocate or shift business away from Licensee, even though such effect might result from such change. For the avoidance of doubt, if Licensor or its Affiliates acquires or develops a Licensor Lodging Facility brand or changes the segment or brand positioning of an existing Licensor Lodging Facility brand, Licensor may place such new, or existing but repositioned, Licensor Lodging Facility brand in a higher priority in the cross-sell protocol than it is as of the Effective Date relative to the positioning of the Projects.

(iii) With respect to modifications for which Licensee's prior written consent is not required pursuant to Section 7.2.B(ii), such modifications shall take effect within a reasonable period of time after Licensee's receipt of Licensor's notice pursuant to section 7.2.B.(i), taking into account applicable factors and circumstances, such as the importance of the modifications to safety and security, whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable Ritz-Carlton Hotel implementation schedule with respect to such modifications.

(iv) With respect to modifications that are subject to Licensee's prior written consent pursuant to Section 7.2.B(ii), Licensee shall notify Licensor within thirty (30) days of receipt of Licensor's notice pursuant to Section 7.2.B(i) of Licensee's consent or objection to any such modifications. With respect to modifications for which Licensee has provided its written consent, such modifications shall take effect within a reasonable period of time agreed to by the parties after Licensee has provided its written consent, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable Ritz-Carlton Hotel implementation schedule with respect to such modifications. If the parties cannot agree to a timeline for implementation of the modification within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), then Licensee may object to the proposed modification on that basis. If Licensee does not consent or object to such proposed modifications to the Brand Standards within thirty (30) days following receipt of Licensor's notice pursuant to Section 7.2.B(i), such proposed modifications shall be deemed consented to by Licensee and will take effect as set forth in the immediately preceding sentence.

C. Licensee may from time to time propose modifications to the Brand Standards with respect to any aspect of the MVW Ritz-Carlton Business. Licensee shall provide notice to Licensor of any such modifications proposed by Licensee. Prior to any such modifications to the Brand Standards taking effect, such modifications shall be subject to Licensor's prior written consent, which (i) in the case of modifications to the Brand Standards described in Section 7.2.B(ii)(1) through (6), may be granted or withheld in Licensor's sole discretion and (ii) in the case of modifications to all other Brand Standards, including those that are part of the Operational Brand Standards, the Design Guide, the Brand Style and Communication Standards (except if the proposed change conflicts with the Brand Standards related to the Licensed Marks that Licensor may modify without Licensee's consent in accordance with Section 7.2.B(ii)(5)), and the Quality Assurance Program (including the Customer Satisfaction System and the Quality Assurance Audit System), shall not be unreasonably withheld. Licensor shall notify Licensee within thirty (30) days of receipt of Licensee's notice pursuant to this Section 7.2.C of Licensor's consent or objection to any such modifications. With respect to modifications for which Licensor has provided its written consent, such modifications shall take effect within a reasonable period of time agreed to by the parties after Licensor has provided its written consent, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations and the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects. If the parties cannot agree to a timeline for implementation of the modification within thirty (30) days following receipt of Licensee's notice pursuant to this Section 7.2.C, then Licensor may object to the proposed modification on that basis. If Licensor does not consent or object to such proposed modifications to the Brand Standards within thirty (30) days following receipt of Licensee's notice pursuant to this Section 7.2.C, such proposed modifications shall be deemed consented to by Licensor and will take effect as set forth in the immediately preceding sentence.

D. Except as provided in Section 7.2.E, in the event of a dispute regarding proposed modifications to any aspect of the Brand Standards with respect to which either party has consent rights under Section 7.2.B or 7.2.C (other than consents that may be granted or withheld in Licensor's sole discretion), either party may refer the matter to an Expert for resolution pursuant to Section 22.5.

(i) For modifications regarding physical aspects of the Brand Standards proposed by Licensor, the Expert will determine whether Licensor's proposed modifications are consistent with changes to the Luxury Brand Segment and otherwise applicable to, and appropriate for, the MVW Ritz-Carlton Business.

(ii) For modifications proposed by Licensee, the Expert will determine whether Licensor's objection to Licensee's proposed modifications is reasonable, taking into account Licensor's brand standards for Ritz-Carlton Hotels , the applicability of such standards to Ritz-Carlton Destination Club Projects and Ritz-Carlton Residential Projects, the appropriate differences between hotel service levels and service levels applicable to the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business, and whether the failure to implement such modifications will or may adversely affect Ritz-Carlton Hotels.

If the Expert determines that any such proposed modifications are appropriate, such modifications shall take effect within a reasonable period of time after the Expert's determination, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable Ritz-Carlton Hotel implementation schedule with respect to such modifications. If the Expert determines that such proposed modifications are not appropriate, then the Brand Standards will not be modified to reflect such modifications with respect to the MVW Ritz-Carlton Business.

E. In the event that Licensee does not consent to modifications to any service aspect of the Brand Standards proposed by Licensor with respect to which Licensee has consent rights under Section 7.2.B, and customer satisfaction levels at the Projects decrease greater than five (5) percentage points during the twelve (12) month period immediately following the date on which such change was to have been implemented, the parties shall investigate the reason(s) for the decrease. If the failure to implement one or more proposed modifications to any service aspect of the Brand Standards is determined to be a material reason for any such decrease, then Licensee shall promptly implement such modifications, taking into account applicable factors and circumstances, such as whether such modifications are required or restricted by Applicable Law, the need to obtain approval and/or funding from Property Owners' Associations, the sequencing of such modifications into the renovation and refurbishment schedules of existing Projects, and the applicable Ritz-Carlton Hotel implementation schedule with respect to such modifications.

F. For the avoidance of doubt, nothing herein shall limit in any manner Licensor's or its Affiliates' ability to modify or change any standards applicable to Licensor's Lodging Business or Whole Ownership Residential Business, or any other business or activity in which Licensor or its Affiliates may engage from time to time, other than the Ritz-Carlton Destination Club Business or the Ritz-Carlton Whole Ownership Residential Business.

8. OPERATIONS

8.1 Operating the Projects and the MVW Ritz-Carlton Business.

Licensee will operate the Projects and the MVW Ritz-Carlton Business in compliance with this Agreement, the System, and the Brand Standards, subject to Applicable Law and the rights and duties of the applicable Property Owners' Associations, and Licensee will:

(1) permit the duly authorized representatives of Licensor to: (i) enter facilities utilized by Licensee in the MVW Ritz-Carlton Business (including the Projects and Sales Facilities) and inspect such facilities at all reasonable times to confirm that Licensee is complying with the terms of this Agreement, the System, and the Brand Standards; and (ii) test any and all equipment, food products, and supplies located at the Projects. Licensor has no duty or obligation to conduct ongoing inspections of the Projects or other facilities utilized by Licensee in the MVW Ritz-Carlton Business;

(2) not knowingly permit gambling to take place at any Project (except for a limited number of reputable charitable events permitted by Applicable Law) or use any Project for any casino, lottery, or other type of gaming activities, or otherwise directly or indirectly associate with any gaming activity, unless such activities are approved in writing by Licensor's Casino Oversight Committee;

(3) provide all food and beverage service in the Projects in conformity with the Brand Standards and Applicable Law; and

(4) with respect to transient rentals for overnight accommodation at Projects offered or made through the Reservation System, participate in travel agent programs, Brand Loyalty Programs, and any complaint resolution programs as Licensor may establish in its discretion, all to the extent applicable to the MVW Ritz-Carlton Business.

8.2 Employees.

Licensee will employ suitably qualified individuals sufficient to staff all positions at the Projects and with respect to the MVW Ritz-Carlton Business. Licensee will use its best efforts to ensure that Licensee's employees at all times comply with the Brand Standards.

8.3 Management and Operation of the Projects.

A. (i) The parties acknowledge and agree that, except as set forth in Section 8.3.B, it is the express intention of the parties that all Projects (the "RCHC Managed Projects"), at all times, be managed by Licensor or one of its Affiliates pursuant to a separate on-site management agreement in the form agreed to by the parties as of the Effective Date, as it may be modified by agreement of the parties thereafter and to reflect the specific circumstances of a particular Project (in each case, the "RCHC Management Agreement") for each Project between Licensor or its Affiliate and the appropriate entity or entities for the Projects, which may be Licensee, one of its Affiliates, and/or the Property Owners' Association for such Project. Certain provisions of this Agreement do not apply to RCHC Managed Projects, and certain provisions may apply to RCHC Managed Projects in a different manner than those provisions apply to Non-RCHC Managed Projects, as set forth herein, including Section 27.

(ii) In no event shall Licensor or its Affiliate be required to perform any additional services or provide any additional assistance not specifically provided for herein that might require Licensor or its Affiliate to register as a broker-dealer under Applicable Law.

B. Notwithstanding Section 8.3.A(i),

(i) The Existing Project named "Ritz-Carlton Residences at Kauai Lagoons" will continue to be operated by Licensee or one of its Affiliates unless Licensor has consented in writing to a third-party management company that is not an Affiliate of Licensee ("Management Company") to operate such Project, which consent may be granted or withheld in Licensor's sole discretion and withdrawn at any time if Licensor determines that such Management Company is no longer qualified to manage such Project. If at any time such Project has more than fifteen (15) Ritz-Carlton Destination Club Units and/or Ritz-Carlton Residential Units, Licensor may require that such Project be managed by Licensor or its Affiliate under an RCHC Management Agreement; and

(ii) If Licensee proposes a New Project with no more than fifteen (15) Destination Club Units and/or Residential Units, a Management Company consented to by Licensor (which may by Licensee or one of its Affiliates), which consent may be granted or withheld in Licensor's sole discretion and withdrawn at any time if Licensor determines that such Management Company is no longer qualified to manage such Project, may manage such Project.

The Ritz-Carlton Residences at Kauai Lagoons and any New Project that is managed by Licensee, one of its Affiliates, or a Management Company pursuant to (ii) shall be referred to herein as a "Non-RCHC Managed Project". Any Management Company engaged to manage the Non-RCHC Managed Projects under (i) or (ii) must execute and deliver to Licensor for each such Project a Management Company Acknowledgment in the form required by Licensor, the current form of which is attached hereto as Exhibit C.

Licensee acknowledges that, in addition to the consent rights of Licensor with respect to Management Companies as set forth above, RHL may have certain consent rights with respect to Licensee's engagement of Managements Companies for Non-RCHC Managed Projects located within the RHL Territory.

C. Subject to Sections 8.3.A. and B. and any limitations in the RHL Agreement, Licensor acknowledges that (i) certain functions of Projects may be delegated or subcontracted to third parties in accordance with Section 5.8; (ii) certain aspects of certain Projects may be subject to shared service and integrated facility arrangements with co-located lodging properties and other facilities and (iii) Licensee may delegate to Licensee's Affiliates the authority to operate certain Projects in accordance with Sections 5.1.B. and 5.2.D.

8.4 Customer Satisfaction System and Quality Assurance Audit System.

A. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Customer Satisfaction System. Licensee shall administer the Customer Satisfaction System, using Licensee's Customer Satisfaction System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. The results of the Customer Satisfaction System surveys shall be provided to Licensor on a periodic basis, but not less than once every three (3) months. Licensee shall pay all costs for such Customer Satisfaction System.

B. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Quality Assurance Audit System. Licensee shall administer the Quality Assurance Audit System, using Licensee's Quality Assurance System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. Licensee shall conduct audits of each Project under the Quality Assurance Audit System no less than annually, unless Licensor consents to a longer period in writing. Licensee shall pay all costs for such Quality Assurance Audit System.

C. Licensor has the right to periodically audit Licensee's Customer Satisfaction System and Quality Assurance Audit System process and results in order to confirm the reliability of the process and results, that Licensee's Customer Satisfaction System is sufficient to accurately measure customer satisfaction, and that Licensee's Quality Assurance Audit System is sufficient to accurately measure compliance with the Brand Standards at the Projects. Audits of the Customer Satisfaction System or the Quality Assurance Audit System shall be at Licensor's expense, unless such audit reveals a material deficiency in the Customer Satisfaction System or the Quality Assurance Audit System that adversely affects the reliability of the process or results or the accuracy of measuring customer satisfaction or compliance with Brand Standards at the Projects, as applicable (in either case, a "Deficiency"), in which case the audit expense shall be borne by Licensee.

D. If Licensor determines that there is a Deficiency in the Customer Satisfaction System or the Quality Assurance Audit System, Licensor will notify Licensee of the Deficiency, provide Licensee with reasonable detail regarding the Deficiency, and the parties will work together to identify potential resolutions for, and agree on the measures that Licensee will take to resolve, such Deficiency. If the parties fail to agree on a process to resolve the Deficiency within sixty (60) days following such notice, or, if the Deficiency is not resolved within one hundred eighty (180) days following such notice, Licensor has the right to require that Licensee implement a customer/guest satisfaction program or quality assurance system designed or approved by Licensor, in which event, Licensee will (i) provide Licensor with all Customer Satisfaction System or the Quality Assurance Audit System material that is not included in the documentation to which Licensor has been provided access, including, without limitation, underlying Brand Standards that are referred to but are not included in Quality Assurance Audit System questionnaires and forms and (ii) be required to pay the fees and charges applicable to such program. If Licensee fails to implement such customer/guest satisfaction program or quality assurance system designed or approved by Licensor, such failure shall be deemed a default and Licensor may terminate this Agreement immediately upon notice to Licensee under Sections 18.2.A.(v) and 18.2.A(vi), as applicable.

E. The parties will discuss changes that Licensor has made to the customer/guest satisfaction program or quality assurance system that Licensor uses for Licensor Lodging Facilities no less often than annually at the annual meeting contemplated in Section 11.2.E.

F. Licensor acknowledges that Licensee may include questions as part of the Customer Satisfaction System survey process that are not intended to measure customer satisfaction but instead intended to capture customer preference, gauge customer interest, and other market research functions and that such questions shall not be considered for purposes of measuring customer satisfaction hereunder.

G. Licensee acknowledges that Licensor has the right to inspect and monitor all sales and marketing or promotional activity related to the offer and sale of interests in Destination Club Units and Residential Units as part of the MVW Ritz-Carlton Business at Licensor's cost, in any manner Licensor deems necessary or appropriate in Licensor's reasonable business judgment and as permitted by Applicable Law, including "blind" shopping.

8.5 Projects Controlled by Non-Controlled Property Owners' Association.

If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop, operate, maintain, or renovate the Project in compliance with this Agreement, the System, or the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), Licensee shall promptly request that the Non-Controlled Property Owners' Association cure the failure (i) for Existing Projects, within the applicable cure periods set forth in the agreements governing such Existing Project (or any longer period required by Applicable Law) or (ii) for New Projects, within the shorter of (x) the applicable cure periods set forth in Section 18 or (y) the applicable cure periods set forth in the agreements governing such New Project (or any longer period required by Applicable Law), after notice of the failure, provided, that if the failure is not susceptible of being cured within the applicable period, Licensee shall have the right to extend such period for such additional period as is reasonable under the circumstances if cure is being diligently pursued, and, in no event, will such additional period be more than three hundred sixty five (365) days. If the Non-Controlled Property Owners' Association does not cure such failure within the applicable cure period, Licensee shall promptly issue default notices to the Non-Controlled Property Owners' Association and promptly take such actions as are required to Deflag the Project in accordance with the agreements governing such Project or as otherwise required by Applicable Law. If the Non-Controlled Property Owners' Association cures such failure prior to Deflagging in accordance with any cure rights provided in the agreements governing such Project or Applicable Law, Licensee will have the right to cease Deflagging the Project and maintain the Project as part of the MVW Ritz-Carlton Business.

9. RESTRICTIONS AND LIMITATIONS ON CONDUCT OF MVW RITZ-CARLTON BUSINESS

9.1 Offers and Sales of Destination Club Units and Residential Units; Use of MVW Ritz-Carlton Business Customer Information.

A. Licensee must comply with the System, Brand Standards, and Applicable Law in connection with the offer and sale of interests in Destination Club Units and Residential Units as part of the MVW Ritz-Carlton Business. Without limiting the foregoing, Licensee shall be required to (i) comply with appropriate and commercially reasonable procedures and processes established by, or

acceptable to, Licensor to prevent Licensee from doing business with prospective customers, Members, purchasers or other persons in contravention of Applicable Law; (ii) comply in all material respects with applicable existing and future condominium, association and trust agreements, CC&Rs, zoning and land use restrictions, and property management agreements; (iii) comply with Permitted Territorial Restrictions relating to or associated with hotels, resorts, lodging facilities and Residential Projects operated under brands owned or controlled by Licensor or its Affiliates that are in place as of the Effective Date; and (iv) comply in all material respects with Licensor's applicable customer and data privacy and security standards and protocols that Licensor uses in the conduct of its business as such standards and protocols apply to the MVW Ritz-Carlton Business.

B. The applicable condominium and/or timeshare documentation, including the condominium declaration, public offering statement, form of purchase and sale agreement, condominium association formation documents, rules and regulations, and all related documents and instruments (collectively, the "Offering Documents"), shall be subject to Licensor's review upon reasonable notice (on a periodic audit basis) for the purpose of ensuring that the Offering Documents properly reflect the relationship between Licensor and Licensee and Licensee's rights to use the Licensed Marks hereunder. If the Offering Documents do not properly reflect the relationship between Licensor and Licensee and Licensee's rights to use the Licensed Marks hereunder, Licensor will provide notice to Licensee thereof, which notice shall identify the deficiencies in the Offering Documents. Licensee shall promptly make changes to the Offering Documents to address such deficiencies and provide the revised Offering Documents to Licensor for Licensor's review and approval of the changes. Licensee shall not use the revised Offering Documents (or permit the revised Offering Documents to be used) until such changes have been approved by Licensor (for purposes of clarification, the foregoing shall not prohibit Licensee from using the existing Offering Documents until the revised Offering Documents are approved by Licensor and applicable governmental authorities).

C. Licensee shall, as part of the sales process, provide disclosure to each prospective purchaser in the form attached as Exhibit L, subject to modifications required by governmental authorities for the subject jurisdiction or that are necessary to properly describe the subject Project, and have each purchaser acknowledge receipt of such disclosure in writing, which, among other things, discloses to prospective purchasers that (i) the MVW Ritz-Carlton Business is owned and managed by Licensee; (ii) neither Licensor nor any of its Affiliates is the seller of the interests in the Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units, as applicable; and (iii) that the Ritz-Carlton name is used by Licensee pursuant to a license, and that if such license is revoked, terminated, or expires, Licensee shall no longer have the right to use the Licensed Marks in connection with the MVW Ritz-Carlton Business or the relevant Project. Licensee shall be permitted to incorporate such disclosure with other disclosures Licensee makes to prospective purchasers. Licensee will communicate the license arrangement to existing Members of the Existing Projects either within the disclosure circular or in a supplementary disclosure in a form acceptable to Licensor.

D. All MVW Ritz-Carlton Business Customer Information, whether acquired, obtained or developed prior to or after the Effective Date, shall be used solely for engaging in the MVW Ritz-Carlton Business or the Marriott Licensed Business, and for no other use or purpose whatsoever. Other than as permitted under this Agreement, Licensee will not have, claim, or assert any right against or to such MVW Ritz-Carlton Business Customer Information. Within sixty (60) days after the end of each calendar year during the Term, Licensee shall provide Licensor with a written certification (in the form required by Licensor) signed by Licensee's chief executive officer and chief information officer, that Licensee and its Affiliates have maintained, in all material respects, effective internal control over the maintenance and security of MVW Ritz-Carlton Business Customer Information in accordance with the terms of this Agreement related to the treatment and use of MVW Ritz-Carlton Business Customer Information during the immediately preceding calendar year. After the expiration of the Term or

termination of this Agreement, all MVW Ritz-Carlton Business Customer Information shall be used only as set forth in Section 19.2(7). Licensor acknowledges that Property Owners' Associations, boards, and Members have certain rights to MVW Ritz-Carlton Business Customer Information for their respective Projects and that MVW Ritz-Carlton Business Customer Information is in the public record in some jurisdictions and may be compiled or derived by third parties. Without limitation of the forgoing, Licensee shall not sell any MVW Ritz-Carlton Business Customer Information to third parties, and Licensee shall not disclose or otherwise provide any MVW Ritz-Carlton Business Customer Information to any third-parties other than in connection with the operation of the MVW Ritz-Carlton Business and in accordance with this Agreement. Licensor acknowledges that MVW Ritz-Carlton Business Customer Information may be used by Licensee in connection with the Marriott Licensed Business pursuant to the terms and conditions of the Marriott License Agreement.

E. If Licensee acquires a third-party customer list ("Third-Party List") following the Effective Date, Licensee may use such list in connection with, and/or transfer such list to, the MVW Ritz-Carlton Business and/or Licensee's other business(es). Such list can be used independently in connection with the MVW Ritz-Carlton Business and/or any of Licensee's other business(es), but if the information in the Third-Party List evolves based on, or otherwise becomes supplemented with, MVW Ritz-Carlton Business Customer Information as a result of its transfer to, or use by, the MVW Ritz-Carlton Business (the "Modified Third-Party List"), then the Modified Third-Party List may not thereafter be used for, or transferred to, (i) any of Licensee's or its Affiliates' other businesses or (ii) any other third party for use other than solely for engaging in the MVW Ritz-Carlton Business. Licensee and its Affiliates shall not be permitted or required to cross-check any Customer Information or customer list of any of Licensee's or its Affiliates' other businesses with the MVW Ritz-Carlton Business Customer Information. Any Customer Information obtained by Licensee on or after the date of the Spin-Off Transaction in connection with Licensee's other businesses unrelated to the MVW Ritz-Carlton Business that is not used in, or in connection with, the MVW Ritz-Carlton Business may be used by Licensee and its Affiliates for any purpose, including (i) and (ii) above.

F. Licensee will be permitted to sell interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units to vacation/destination/timeshare clubs or other travel programs that are consistent with the luxury positioning of the Projects ("Competing Entities") without Licensor's prior written consent, provided, that Licensee shall take all commercially reasonable actions required by Licensor to ensure that such Competing Entities will be prohibited to the maximum extent legally permissible from using any of the Licensor Intellectual Property in connection with the marketing, sales, rental, or other use of such units. Licensor hereby consents to arrangements that Licensee has in place as of the Effective Date with respect to the foregoing and Licensee may continue such arrangements after the Effective Date with respect to the Projects covered thereby; provided, however, that Licensee shall not enter into any new or additional such arrangements that do not meet the requirements of this Section 9.1.F, and Licensor does not waive any claims Licensor may have against such Competing Entities with respect to the improper use of Licensor Intellectual Property.

G. Licensee will be permitted to use the Licensed Marks on logoed collateral merchandise, such as golf shirts, other apparel and promotional items (collectively, "Logoed Merchandise") that is provided solely to promote the Projects and solely through gift or retail shops located at Projects or Sales Facilities or through Licensee's Website, all in a manner that is consistent with Licensee's or its Affiliates' use of the Licensed Marks in such respect as of the Effective Date and with an overall level of quality of Logoed Merchandise that is consistent with the Luxury Brand Segment. Licensee acknowledges and agrees that (i) Licensor has not applied for and does not maintain registrations for the Licensed Marks covering some or all of the Logoed Merchandise in any jurisdiction and has no obligation to apply for or maintain such registrations in the future; (ii) Licensor makes no representations or warranties regarding Licensee's ability to use the Licensed Marks on Logoed

Merchandise in any jurisdiction or that Licensee's use of the Licensed Marks on Logoed Merchandise in any jurisdiction will not infringe, dilute or otherwise violate the trademark or other rights of any third party; (iii) Licensee's use of the Licensed Marks on Logoed Merchandise shall be at Licensee's sole risk and without recourse against Licensor or its Affiliates; (iv) Licensee shall not knowingly engage in any act or omission which may diminish, impair or damage the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks, including without limitation by utilizing any facility which manufactures or assembles Logoed Merchandise in violation of the laws of the country in which such facility is located ("Illegal Facilities"); (v) Licensee will comply, at its sole expense, with all Applicable Laws in connection with the manufacture, sale, marketing, and promotion of the Logoed Merchandise in the countries where such activities take place, including without limitation any prohibitions against Illegal Facilities; (vi) at Licensor's request, Licensee will promptly provide to Licensor representative samples of then-current Logoed Merchandise and any associated packaging and displays; (vii) at Licensor's request, Licensee will promptly make any changes to its Logoed Merchandise or its uses of the Licensed Marks on Logoed Merchandise that do not comply with this Section 9.1.G.; (viii) Licensee will use the Licensed Marks on Logoed Merchandise in accordance with the then-current Brand Standards; (ix) Licensee must comply with the applicable terms of the RHL Agreement, including providing information for purposes of Licensor's compliance obligations with the RHL Agreement; and (x) Licensee shall promptly cease use, distribution, promotion, marketing and sale of Logoed Merchandise bearing the Licensed Marks in any jurisdiction where Licensor requests such use to cease as a result of a claim or challenge raised by a third party or if Licensor in its sole discretion believes such use diminishes, impairs or damages the goodwill, name or reputation of Licensor or its Affiliates or the Licensed Marks. Licensee shall reimburse Licensor or its Affiliates for any fees or other amounts due to RHL or its Affiliates under the RHL Agreement as a result of the offer and sale by Licensee and its Affiliates of Logoed Merchandise hereunder.

9.2 Transient Rentals of Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units.

A. Subject to Section 10.2, Licensee shall have the right to engage in the transient rental of inventory of Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units, respectively, (i) that is held for development and sale and owned by Licensee, its Affiliates, a Property Owners' Association or a third party with which Licensee or its Affiliates has entered into a development agreement; (ii) that is controlled by Licensee or its Affiliates as a result of Member participation in programmatic elements of Ritz-Carlton Destination Club Products (e.g., exchange, banking, borrowing, Brand Loyalty Program trade, and similar programs); and (iii) that is controlled by Licensee, its Affiliates or a Property Owners' Association as a result of Member default (e.g., maintenance fee defaults or financing defaults) pending foreclosure or cure in the ordinary course of business, in each case so long as such transient rental would not violate any then-existing Permitted Territorial Restriction.

B. With respect to Existing Projects at which Licensee has not engaged in transient rental and for which Licensee has not notified Licensor prior to the Effective Date of Licensee's intention to engage in transient rentals (each of which is identified in Exhibit H), prior to engaging in any transient rental activity, Licensee shall give notice of Licensee's intent to engage in transient rental activity to Licensor. If Licensor determines that any transient rental activity would violate any then-existing Permitted Territorial Restriction, then Licensor shall so notify Licensee, and Licensee shall not be permitted to engage in such transient rental activity to the extent such transient rental activity would violate such Permitted Territorial Restriction and for so long as such Permitted Territorial Restriction remains in effect.

C. With respect to New Projects, Licensor will evaluate the territorial or other contractual or legal restrictions applicable to Licensor or its Affiliate in connection with the New Project Application process described in Section 5.2. If Licensor determines that any transient rental activity at a

New Project would violate any then-existing Permitted Territorial Restriction, then Licensor shall so notify Licensee, and Licensee shall not be permitted to engage in such transient rental activity to the extent such transient rental activity would violate such Permitted Territorial Restriction and for so long as such Permitted Territorial Restriction remains in effect.

9.3 No Affiliation with Other Brands/Businesses.

A. Licensee shall not affiliate with or use the Licensor Intellectual Property in conjunction, or association, with any brand, trademark, product, service, or business other than the MVW Ritz-Carlton Business which is the subject of this Agreement, or use the Licensor Intellectual Property in a way that could reasonably be interpreted as endorsing, or suggesting affiliation with, any other brand, mark, product, service or business, other than marketing alliances and exchange affiliations that are consistent with the practice of Licensee and its Affiliates during the period from January 1, 2005 until the Effective Date, as reasonably demonstrated by Licensee, and other marketing alliances, exchange affiliations and similar arrangements permitted under Section 9.5.

B. Subject to the Noncompetition Agreement, nothing in this Agreement is intended to prevent Licensee or its Affiliates from creating, developing, operating, licensing, or managing its own brand or system for (1) Destination Club Projects or Destination Club Products or (2) a Lodging Business; provided, however, that as set forth in this Agreement, Licensee shall not use Licensor Confidential Information, the Branded Elements, or the MVW Ritz-Carlton Business Customer Information in connection with any business other than the MVW Ritz-Carlton Business.

C. Licensee shall not establish or operate a Sales Facility at any hotel or resort owned, operated, or franchised by a Lodging Competitor without Licensor's prior written consent. In the event that a Licensor Lodging Facility in which a Sales Facility is located is Deflagged and becomes a hotel or resort operated under a Lodging Competitor Brand, Licensee may continue to operate such Sales Facility in such hotel or resort until the expiration or termination of the arrangement under which the Sales Facility is operating; provided, however, that Licensee shall not renew, extend, or enter into any new arrangement with respect to such Sales Facility at such hotel or resort without Licensor's prior consent.

9.4 Destination Club Businesses and Whole Ownership Residential Businesses Operating Under Other Brands.

Subject to Sections 9.3 and 13.2.A(4), Licensee may engage in a Destination Club Business and a Whole Ownership Residential Business under or in connection with brands other than the Licensed Marks, provided that no Existing Projects may be operated except under the Licensed Marks unless: (i) such Existing Project is removed from the System by Licensee in good faith for failure of a Non-Controlled Property Owners' Association to comply with the management agreement (whether by failure to provide adequate funds to maintain the Brand Standards or otherwise), or if Licensee makes a commercially reasonable determination (and Licensor agrees with such determination) that such project no longer adequately represents the then-current Ritz-Carlton Destination Club Project or Ritz-Carlton Residential Project, as applicable, brand positioning; (ii) a Non-Controlled Property Owners' Association terminates its management agreement with Licensee or its Affiliate or refuses to renew the management agreement on the then-current terms and conditions; or (iii) Licensor terminates Licensee's right to operate such Existing Project in accordance with this Agreement. A Project is removed from the System for purposes of this Section 9.4 when no customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property are used by Licensee at or for such Project (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) and no Branded Elements or Licensor Intellectual Property (including any

corporate name containing the word “Ritz-Carlton”) are used to promote, market or sell any other product or service at or for the Project. Licensee’s failure to comply with subsections 9.4(i) through (iii) shall be a default under this Agreement and will result in Licensee failing to have met the conditions precedent to converting the Project to another brand.

9.5 Services and Products Made Available to Members and Marketing and Exchange Arrangements.

A. Licensee may only enter into marketing arrangements with respect to the MVW Ritz-Carlton Business with third parties, and may only make available to Members those products and services (including Exchange Programs), (i) that are consistent with the brand positioning of the MVW Ritz-Carlton Business and, with respect to such marketing arrangements, are in compliance with the Brand Standards or (ii) that are in place as of the Effective Date or that are consistent with Licensee’s practice during the period from January 1, 2005 until the Effective Date, as reasonably demonstrated by Licensee. Licensor may object if Licensor becomes aware of any such practice that Licensor believes is inconsistent with the Brand Standards. Licensor will notify Licensee of such objection, and the parties will engage in discussions and attempt to agree on modifications to such practice(s) so that such practice(s) will be in compliance with the Brand Standards. For local marketing alliances, the positioning of the Project in the local market shall be the governing standard.

B. Licensee shall have the right to seek prior written confirmation from Licensor on a confidential basis that any proposed program or arrangement is consistent with applicable Brand Standards and will not result in a breach of Licensee’s obligations under this Agreement. With respect to programs or arrangements undertaken by Licensee with respect to the MVW Ritz-Carlton Business and for which Licensee has not received Licensor’s prior written confirmation (“New Licensee Program”), Licensor shall have the right to object to any such program or arrangement in the event Licensor believes that such program or arrangement is inconsistent with applicable Brand Standards. In the event Licensee and Licensor are not able to come to agreement on the issue, then either party may refer the matter for Expert resolution pursuant to Section 22.5, or if Licensee initiates a New Licensee Program without first seeking confirmation that the New Licensee Program is consistent with the Brand Standards and Licensor determines that such New Licensee Program is not consistent with the Brand Standards, then Licensor may refer the matter for Expert resolution pursuant to Section 22.5. In either case, if the Expert finds in favor of Licensor, then Licensor’s prior written consent shall be required for each New Licensee Program that is implemented on a system-wide or region-wide (e.g., throughout the United States, Europe, the Middle East, Latin America, Asia Pacific or a substantial portion thereof) basis for the twenty-four (24) month period following any such determination.

C. Licensee shall not allow its Members of any Project to exchange their right to use and occupy Ritz-Carlton Destination Club Units for stays (or other benefits) at luxury or upscale hotels other than those operated or franchised by Licensor or its Affiliates, except through general Exchange Programs or through tour operator arrangements that are in compliance with Licensor’s Brand Standards related to approved distribution channels; provided that Licensee shall be permitted to include hotels that are neither Licensor Lodging Facilities nor a part of a Lodging Competitor’s hotel system in its Explorer, Club Connections, or similar program in locations where a Licensor Lodging Facility of the same brand segment and of a suitable experience type (e.g., resort) is not available. Licensor will not object to the Exchange Program and tour operator arrangements that Licensee has in place as of the Effective Date as not being in compliance with Brand Standards, and Licensee may continue such arrangements after the Effective Date with respect to the Projects covered thereby; provided, however, that Licensee shall not enter into any new or additional such arrangements that do not meet the Brand Standards, and Licensor does not waive any claims related to misuses of the Licensed Marks. Licensee shall have the right to operate its own Exchange Programs. Licensee may use the Licensed Marks as part of a branded

Exchange Program name approved in writing by Licensor. Branded Exchange Programs operated by Licensee or its Affiliates in which both Ritz-Carlton Destination Club Units and other Destination Club Units participate shall be subject to commercially reasonable safeguards to be agreed by Licensor and Licensee, such as a prohibition on prominently featuring or marketing products under brands other than the Licensed Marks in such a way as to imply endorsement of such other brands by, or affiliation with, Licensor, and limits on the right of Licensee to use the MVW Ritz-Carlton Business Customer Information to benefit such Exchange Programs. At Licensor's request, use of the Licensed Marks as part of a branded Exchange Program name shall be discontinued if (i) at any time the aggregate number of Ritz-Carlton Destination Club Units that participate in such branded Exchange Program is less than one-half (1/2) of the total number of all Destination Club Units that participate in such branded Exchange Program or (ii) Licensee permits Destination Club Units operated under any Hilton Brand, Starwood Brand, or Four Seasons Brand to participate in such Exchange Program, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date.

D. Licensee shall not list, promote, rent or sell any Ritz-Carlton Destination Club Unit or Ritz-Carlton Residential Unit inventory for transient rental that is controlled or owned by Licensee or its Affiliates through any distribution channels of a Lodging Competitor.

E. Licensee shall comply with all restrictions and requirements set forth in Licensor's then-existing promotional, marketing or other alliance programs in place as of the Effective Date to the extent they apply to Licensee following the Effective Date.

9.6 Changes in Programs, Services or Benefits.

Prior to making any significant systemic changes in the Ritz-Carlton Destination Club Business or the Ritz-Carlton Whole Ownership Residential Business (for example, conversion to a points program), Licensee shall have the right to seek prior written confirmation from Licensor, on a confidential basis, that any such change is consistent with the Brand Standards and will not result in a breach of Licensee's obligations under this Agreement. In the event of a dispute regarding whether any such change is inconsistent with the Brand Standards or would result in a breach (whether or not Licensee sought prior confirmation that the proposed change is consistent with the Brand Standards), the dispute will be referred for Expert resolution pursuant to Section 22.5.

10. ELECTRONIC SYSTEMS

10.1 Systems Installation.

A. Licensee will, as a cost of the MVW Ritz-Carlton Business, arrange for the purchase or lease, installation, maintenance, and use at the Projects of all Electronic Systems that Licensor reasonably requires or that Licensee chooses to use in connection with the MVW Ritz-Carlton Business, in accordance with the Brand Standards and specifications provided by or on behalf of Licensor and may not use such Electronic Systems for anything not specifically related to the Projects and the MVW Ritz-Carlton Business.

B. Notwithstanding the foregoing, Licensee may use any electronic system that, in Licensor's judgment, is comparable to a particular required Electronic System and performs the same functions as such Electronic System and is compatible, and interfaces, with Licensor's Electronic Systems.

10.2 Reservation System.

A. Licensor will make the Reservation System available to Licensee in connection with the MVW Ritz-Carlton Business, including for reservations relating to Member usage, marketing usage, transient rental usage, and other usages of Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units. All Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units inventory made available by Licensee for transient rental stays of thirty (30) days or less must be listed in the Reservation System, but such inventory shall not be included in Lodging Competitors' distribution channels, provided that for the purposes hereof, any distribution channels included within Licensor's channel standards or otherwise approved by Licensor shall not be deemed Lodging Competitors' distribution channels. Licensee will comply with all Brand Standards applicable to the MVW Ritz-Carlton Business related to participation in the Reservation System, including, without limitation, the prohibitions on the inclusion of transient rental inventory other than inventory in Licensor Lodging Facilities or in Projects in elements of the Reservation System visible by customers, travel agents, and other members of the public. For purposes of the foregoing, Licensor and Licensee acknowledge that the seasonal nature of the Ritz-Carlton Destination Club Business and Member use patterns (including increased Member use in high demand seasons) and leisure-based use patterns (including higher weekend occupancy and lower weekday occupancy) create transient rental inventory availability patterns that may differ from those for Licensor Lodging Facilities. As such, certain Brand Standards relating to participation in the Reservation System may not be suitable for the Ritz-Carlton Destination Club Business (such as minimum room availability requirements for Brand Loyalty Program redemptions or the "50% Off Associate Rate" winter offer).

B. If Licensee is in material breach of this Agreement and does not cure the breach as required by Licensor's notice of breach, Licensor may, in addition to any other remedies it may have and in accordance with Section 18.4, suspend Licensee's right to use the Reservation System at one (1) or more of the Projects (or a part of any Project) with respect to transient rentals of Ritz-Carlton Destination Club Units and/or Ritz-Carlton Residential Units until the breach is cured. In the event such breach relates to one (1) or more Projects, Licensor may exercise its right to suspend Licensee from the Reservation System under this Section 10.2.B. with respect to the applicable Project(s). In the event such breach relates to the MVW Ritz-Carlton Business apart from specific individual Projects or to all or substantially all of the Projects, Licensor may suspend the entire MVW Ritz-Carlton Business and all of the Projects from the Reservation System under this Section 10.2.B. Licensee covenants not to bring any damages claims against Licensor and its Affiliates arising from Licensee's suspension from the Reservation System under Section 18.4, other than claims that Licensee is not in breach of this Agreement.

C. Licensee will have the right to make proposals regarding the Reservation System to Licensor's Reservation Users Group. The parties will agree on a reasonable process for keeping Licensee apprised of initiatives of Licensor's Reservation Users Group that will affect the MVW Ritz-Carlton Business.

10.3 Electronic Systems Provided Under License.

A. The Electronic Systems not purchased by Licensee will remain the sole property of Licensor or any third party vendors, as applicable. Licensee will at all times treat the Electronic Systems as confidential. As a condition to using the Electronic Systems, Licensee must execute the Electronic Systems License Agreement.

B. Licensee acknowledges that the Electronic Systems will be modified, enhanced, replaced, or become obsolete, and that new Electronic Systems may be created to meet the needs of the System and the continual changes in technology and that any such new Electronic Systems will be subject to the terms of the Electronic Systems License Agreement.

C. Licensee will have the right to make proposals regarding the Electronic Systems to the appropriate group within Licensor's organization that is responsible for strategic initiatives related to Electronic Systems. The parties will agree on a reasonable process for keeping Licensee apprised of initiatives regarding the Electronic Systems that will affect the MVW Ritz-Carlton Business.

10.4 Proposed Enhancements.

Licensor will reasonably consider changes to the Electronic Systems proposed by Licensee which address issues specifically relevant to the MVW Ritz-Carlton Business (including any enhancements to the Electronic Systems needed to implement such changes). Licensor shall respond to such requests within one hundred twenty (120) days following Licensor's receipt of the written request. Licensor may condition its consent to changes to the Electronic Systems suggested by Licensee based on factors such as: Licensee's payment of the costs related to such implementation, including, without limitation, incremental internal or out-of-pocket design costs and operating costs (and the allocation thereof on a fair and commercially reasonable basis to other users of the applicable Electronic Systems who benefit from the change); the difficulties of designing or administering such changes; the impact of such changes on the Electronic Systems generally; third party consent requirements; the prioritization of other Electronic Systems projects; the general feasibility of implementing and maintaining such changes over time; and considerations relating to owners and franchisees associated with Licensor Lodging Facilities.

11. LICENSOR SERVICES AND SUPPORT

11.1 Training.

A. Licensor will provide Licensee's personnel that are designated by Licensee (and approved by Licensor as being qualified to provide training programs) training on certain aspects of the System, including the Electronic Systems, that Licensee elects to participate in, as necessary to comply with the Brand Standards. Licensor will also provide training material to such personnel to facilitate the provision of such training by such personnel to other personnel of Licensee and its Affiliates. Licensee shall deliver such programs in accordance with the terms and conditions, and within the time frame, established by Licensor.

B. Licensor will have the right to require that the management personnel involved with the Projects attend or complete specific initial, ongoing, and remedial training program(s) as necessary to comply with the Brand Standards. Such training courses will be conducted at such time and place as Licensor may designate; provided, however, that Licensor may authorize Licensee's personnel who Licensor has determined are qualified to provide certain training programs to such management personnel at the Projects. Licensee must conduct such training for Licensee's employees as is required for them to properly operate, administer and manage the Projects in accordance with the Brand Standards. Licensor may also offer, and Licensee may elect to participate in, optional training courses for personnel engaged in operating or managing the Projects.

C. Licensor shall provide Licensee's sales and marketing executives with training sessions relating to any significant changes to the Ritz-Carlton brand and the Brand Standards and periodic "refresher" training sessions as reasonably required by Licensor (but not more often than once every two (2) years). Licensor shall have the right to require any third party marketing and advertising agencies used by Licensee to satisfactorily complete brand immersion sessions as a condition to Licensor's approval of such agencies. The frequency and timing of such sessions shall be as mutually agreed to Licensor and Licensee (but not more frequently than annually).

D. Licensor will have the right to charge tuition, fees or reimbursements described in Section 3.3 for all training programs and brand immersion sessions that Licensor offers, which must be paid before receiving training materials or attending training. For all programs and activities under this Section 11, Licensee will be responsible for paying all Travel Expenses and the salary and other compensation for individuals attending such training. Licensor reserves the right to require that employees of Licensee or its Affiliates and other individuals receiving training execute confidentiality agreements in form and substance satisfactory to Licensor.

11.2 Other Services.

A. Licensor or its Affiliates will provide certain services to, and cooperate with, and provide access to certain systems to Licensee, and its Affiliates in connection with the MVW Ritz-Carlton Business substantially in accordance with the practices of Licensor or its Affiliates as of the date of the Spin-Off Transaction, as set forth in the Services Manual and subject to the provisions, terms, conditions, restrictions and costs as set forth in the Services Manual. Those services and systems include services and systems relating to: (i) sales services, including global incentives and gift cards, the centralized travel agent commission program, the TMC/consortia program, travel agency and intermediary training programs, wholesale sales programs, and national group sales; (ii) marketing services, including global partnerships and alliances, global promotions, portfolio brand strategy services, facilitation of marketing opportunities at Licensor Lodging Facilities, brand programs and customer research; (iii) data access services, including MVW Ritz-Carlton Business Customer Information; (iv) global engineering services, including energy management and training; (v) data communications, reservations, telecommunications support, and IMS system access; (vi) operational audit systems; (vii) food and beverage training, procedures and specifications; (viii) e-commerce and information resources services (as set forth in the exhibit to the Electronic Systems License Agreement); and (ix) real estate tax appeals services in certain jurisdictions. Licensee or its Affiliates will provide certain services to, and cooperate with, and provide access to certain systems, to Licensor and its Affiliates in connection with the MVW Ritz-Carlton Business, Licensor's Lodging Business or other businesses as the parties may agree, substantially in accordance with the practices of Licensee or its Affiliates as of the date of the Spin-Off Transaction, as set forth in the Services Manual and subject to the provisions, terms, conditions, restrictions and costs as set forth in the Services Manual. The Services Manual may not be amended, modified or supplemented except as expressly permitted herein, including in Section 11.2.C. Licensor and its Affiliates will provide such services in accordance with the applicable standard for the provision of such services as set forth in the Services Manual.

B. Licensor or its Affiliates will also provide Licensee or its Affiliates with the following:

(i) Access to Brand Loyalty Programs, including the Ritz-Carlton Rewards program pursuant to this Agreement and the Rewards Agreement between Licensor and Licensee;

(ii) The opportunity to participate in supply procurement programs to the extent they are generally available to Licensor Lodging Facility franchisees and licensees and are relevant to the MVW Ritz-Carlton Business; and

(iii) The opportunity to participate in credit card payment processing arrangements to the extent they are generally available to Licensor Lodging Facility franchisees and licensees and are relevant to the MVW Ritz-Carlton Business.

C. The parties acknowledge and agree that future changes in and/or replacements of Licensor and its Affiliates' and/or Licensee's and its Affiliates' technologies, systems, business processes, programs and/or business partners over the Term of this Agreement ("Business Changes"), including changes required by Applicable Law or the interpretation or enforcement thereof, could make it more difficult, costly, commercially impractical, or even impossible to continue to provide one or more services provided by Licensor or its Affiliates or Licensee or its Affiliates hereunder (the "Affected Services"), or could otherwise necessitate changes to the Affected Services. In the event of such a Business Change, Licensee and Licensor agree to discuss, in good faith, making commercially reasonable changes to the Affected Services, including changes to the manner, method, scope, delivery, timing and cost of the Affected Services, or substitution of a similar service that accomplishes the principal underlying purpose or function of the Affected Service, in order to permit the Affected Services to continue on a commercially reasonable basis (such changes, "Service Modifications"). The parties understand and agree that the party receiving an Affected Service shall bear the reasonable incremental expense of any Service Modification, including any increased costs required for the providing party to continue to provide the Affected Service as so modified. If the parties cannot agree upon commercially reasonable Service Modifications, taking into consideration any offer made by the party receiving such service to pay the incremental costs of any Service Modification, then the provider of the Affected Service shall no longer be obligated to provide the Affected Service. Notwithstanding the foregoing, in the event that Licensor or its Affiliates generally discontinue any Affected Service that Licensor or its Affiliates had previously offered or provided in connection with Licensor's and its Affiliates' Lodging Business, to Licensor Lodging Facility franchisees or to other third parties, Licensor and its Affiliates shall no longer be required to provide that Affected Service to Licensee or its Affiliates, and in such case Licensor or its Affiliates shall, at Licensee's request, cooperate with Licensee and its Affiliates to transition any such Affected Service to another service provider or to Licensee or its Affiliates, such transition costs to be at Licensee's expense.

D. Following the closing of the Spin-Off Transaction, Licensor and Licensee will each designate, and notify each other in writing of, an individual within their respective organizations at the vice president level or above ("Contact Person") that will serve as the key contact person for the other party. Although neither party will be obligated to communicate with the other party exclusively through the other party's Contact Person, each such Contact Person will have the authority to communicate on behalf of their organization. Either party may change the individual designated as its Contact Person at any time upon notice to the other party.

E. Licensor and Licensee shall hold an annual meeting not later than April 1 of each calendar year to discuss compliance, customer satisfaction, development issues, sales and marketing and cooperation issues, and any significant systemic program or system changes proposed by Licensee. Either party may request additional meetings if desired, and the other party shall reasonably consider such request.

F. The parties acknowledge that Licensor is currently providing and may continue to provide at specific Projects management services and/or shared services with respect to those Projects under separate RCHC Management Agreements or shared services agreements, as applicable, related to those Projects.

12. REPAIRS AND MAINTENANCE

A. Licensee will (or, as applicable, will request that Property Owners' Associations) maintain the Projects in good repair and first-class condition and in conformity with Applicable Law and the Brand Standards. Licensee or its Affiliates must fund the cost of all repairs and alterations at the

Projects (or, as applicable, request that Property Owners' Associations fund such costs). Any significant alterations, renewals, replacements, or additions to any Project, including those that affect the design, character, appearance or fire and life safety elements of any Project, will be carried out in accordance with the process set forth in the Design Review Addendum. However, repairs and maintenance that are conducted in the ordinary course of business shall not be subject to process set forth in the Design Review Addendum.

B. Licensee will (and, as applicable, will request that Property Owners' Associations) give reasonable consideration to implementing the following guidelines for significant renovation of Ritz-Carlton Destination Club Units, corridors and Public Facilities of Projects: (i) replacement of Soft Goods at least every five (5) to six (6) years after the date such Soft Goods were installed and (ii) replacement of Case Goods at least every ten (10) to twelve (12) years after the date such Case Goods were installed; provided, however, that earlier or more frequent renovations or replacements may be necessary to maintain the quality level of the Projects in compliance with the Brand Standards and to comply with the Quality Assurance Program. In connection with replacements in the immediately preceding sentence, the replacement of all Soft Goods or all Case Goods, as the case may be, will be done at the same time for each phase of a Project rather than being done in a piecemeal fashion.

C. In connection with any replacement of Soft Goods or Case Goods for each phase of a Project, Licensor has the right to require Licensee (and, if applicable, to require Licensee to request Non-Controlled Property Owners' Associations) to upgrade the rest of the particular phase of the Project to conform to the building décor, trade dress, and FF&E required under then-current Brand Standards for Projects of similar age. Licensee will (or, as applicable, will request Property Owners' Associations to) submit its plans for such upgrading and remodeling to Licensor for its review and approval in accordance with the Design Review Addendum.

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

13.1 Licensor's and Licensee's Representations and Responsibility Regarding the Licensed Marks.

A. Licensee acknowledges that Licensor has provided Licensee with a list of the trademark registrations and applications for the Licensed Marks and the jurisdictions in which the registrations are active or applications for such Licensed Marks are pending, and Licensor hereby represents that such list is accurate, true, and correct to the best of Licensor's actual knowledge as of the Effective Date hereof.

B. Licensor acknowledges that Licensee has provided Licensor with a list of (i) all trademarks, service marks, and trade names that Licensee or its Affiliates are currently using or intend to use in connection with the Ritz-Carlton Destination Club Business and Ritz-Carlton Whole Ownership Residential Business (whether or not such trademarks, service marks, and trade names have been registered or registration has been applied for) and which are not included in the list of Licensed Marks that Licensor has provided to Licensee under Section 13.1.A. and the registration or application status of each such trademark, service mark, and trade name on a jurisdiction-by-jurisdiction basis and (ii) the jurisdictions in which (1) there are Existing Projects or Projects currently under development; (2) there is a Sales Facility or sales or marketing office related to the MVW Ritz-Carlton Business; (3) Licensee or its Affiliates are marketing or selling Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units (but in which there are no physical Sales Facilities or sales or marketing offices); (4) Licensee has a commercially reasonable basis for anticipating developing New Projects or marketing or selling Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units during the twelve (12) month period immediately following the Effective Date; or (5) Licensee operates or controls a website under a country-code top-level domain used to promote the MVW Ritz-Carlton Business. Licensee hereby represents that such lists are accurate, true, and correct as of the Effective Date.

C. Licensor represents with respect to the Licensed Marks that:

(1) Licensor or its Affiliates own the trademark registrations and applications for (or have the right to use and sublicense, subject to all of the reservations of rights and exceptions to and limitations on exclusivity set forth in this Agreement), the Licensed Marks for the Licensed Services in the jurisdictions all as identified on the list described in Section 13.1.A.

(2) Licensor has the right to grant the license contemplated hereunder, subject to the following: (a) neither Licensor nor its Affiliates own trademark registrations or applications for the Licensed Marks for some or all of the Licensed Services in every country or jurisdiction of the Territory and some countries or jurisdictions do not permit registration of service marks or do not have trademark registration systems (each, an "Unregistered Area"), (b) Licensor or its Affiliates own trademark registrations for the Licensed Marks for the Licensed Services in countries or jurisdictions in the Territory in which it does not currently render Licensed Services and/or hotel services under the Licensed Marks, and some of these registrations may be susceptible to cancellation in whole or in part for nonuse or abandonment now or in the future ("Vulnerable Registrations"), and (c) the RHL Agreement. Licensor will provide Licensee with a list of jurisdictions that may have Vulnerable Registrations within ninety (90) days following the end of each calendar year during the Term. This provision does not require Licensor to obtain opinions or advice from foreign counsel or other counsel regarding the potential vulnerability of the registrations, but rather only requires Licensor to identify jurisdictions that may have Vulnerable Registrations based on the information possessed by Licensor at the time.

(3) To the best of Licensor's actual knowledge, other than the RHL Agreement, there are no agreements, claims, litigation, or proceedings completed, pending or threatened in writing, that might affect its right to grant the license subject to all of the reservations of rights and exceptions to and limitations on exclusivity set forth in this Agreement.

D. Licensor covenants with respect to the Licensed Marks that:

(1) Subject to Section 13.1.D(2), it will take or will cause to be taken all commercially reasonable steps necessary to preserve and protect the ownership and validity of the Licensed Marks; provided, however, that Licensor will not be required to maintain any particular registration or application for the Licensed Marks that Licensor determines cannot or should not be maintained, and Licensor will not be required to take action against any third-party trademark, name or other identifier that Licensor determines cannot or should not be challenged; and

(2) (i) If Licensee has a commercially reasonable expectation that it will render Licensed Services under the Licensed Marks in any particular Unregistered Area or in a jurisdiction of which Licensor has notified Licensee may have Vulnerable Registrations under Section 13.1.C(2) ("Subject Jurisdictions"), Licensee will provide notice to Licensor of the Subject Jurisdiction(s) at least ninety (90) days prior to rendering any Licensed Services under the Licensed Marks or entering into any sublicense agreement under Sections 5.1.B., 5.2.D., or 5.8.B., in any Subject Jurisdiction. Upon receipt of such notice(s), Licensor or its Affiliate will file and prosecute new trademark application(s), or continue to use commercially reasonable efforts to prosecute any then-pending trademark applications, at Licensor's expense, subject to any prior or superior third-party rights in that country or jurisdiction and the laws and regulations of that country or jurisdiction. Licensor shall have no obligation to file applications for or otherwise obtain any trademarks that have previously been registered or applied for by

third parties or with respect to which there are prior users or prior conflicting rights held by third parties. Licensor agrees to consult with Licensee upon learning of third-party rights that may conflict with Licensor's ability to obtain a registration in the Subject Jurisdiction; provided, however, that such consultation shall not, and is not intended to, modify the provision above that Licensor has no obligation to file or obtain such trademarks and that Licensor may make such determination in its sole and final discretion. Licensee shall have no claim against Licensor or its Affiliates with respect to, and neither Licensor nor its Affiliates shall be liable for, any failure by Licensor or its Affiliates to obtain registration of the Licensed Marks in any Unregistered Area or to obtain any protection of the Licensed Marks in jurisdictions with Vulnerable Registrations. Licensee shall have no right to use, sublicense, or otherwise permit or consent to the use of, any of the Licensed Marks for any purpose in any Unregistered Areas or any jurisdictions of which Licensor has notified Licensee may have Vulnerable Registrations until Licensor has notified Licensee in writing that Licensee is authorized to use the Licensed Marks in such jurisdiction(s).

(ii) Licensor acknowledges that in certain circumstances Licensee or its Affiliates may need to pursue opportunities in Subject Jurisdictions prior to the time that Licensee has been notified by Licensor that Licensee or its Affiliates are authorized to use the Licensed Marks in such Subject Jurisdictions and, notwithstanding Section 13.1.D.(2)(i), such use will not be deemed a breach of this Agreement prior to Licensor notifying Licensee that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights. Until such time that Licensor has authorized Licensee's or its Affiliate's use of the Licensed Marks in the Subject Jurisdiction, if Licensee or its Affiliate elects to proceed with the use of the Licensed Marks prior to receiving such notice, (x) such use shall be at Licensee's or its Affiliates' sole risk and Licensee shall indemnify Licensor as if such use were an unauthorized use pursuant to Section 16.1.A.(i), and (y) notwithstanding anything in Section 16.1.B. to the contrary, Licensor will have no obligation to indemnify Licensee or its Affiliates for such use. If Licensor determines, and notifies Licensee, that a Licensed Mark in a Subject Jurisdiction cannot be registered or cannot be used due to prior or superior third party rights, Licensee and its Affiliates shall cease any use that it commenced with respect to the applicable Licensed Mark under this Section 13.1.D.(2)(ii) promptly following receipt of such notice.

E. If, following the Effective Date, Licensor or its Affiliates secure a trademark registration for the applicable elements of the MVW Ritz-Carlton Business for the registered services (that are Licensed Services) under the applicable Licensed Mark in any portion of the Excluded Area or, in the case of the Blocked Areas, if Licensor obtains the right to grant licenses for the "Ritz-Carlton" name and mark to third-parties, Licensee will be granted the right to use the Licensed Marks and the System pursuant to Section 1.A in the subject portion of the Excluded Area, but only with respect to the specific Licensed Services covered by the newly secured registration or the specific Licensed Services and jurisdiction(s) covered by a right obtained to grant licenses in the Blocked Areas, if applicable.

13.2 Licensee's Use of System and Licensor Intellectual Property.

A. With respect to Licensee's use of the System and Licensor Intellectual Property under this Agreement:

(1) Licensee will use the System and Licensor Intellectual Property only as and in the form and manner expressly authorized by Licensor. Unauthorized use of Licensor Intellectual Property by Licensee will constitute an infringement of Licensor's rights as well as a material default of this Agreement;

(2) Licensee will use the Licensed Marks only in substantially the same places, combination, arrangement, and manner as provided in the Brand Standards or approved by Licensor. Licensee will use the symbol "®," "™," "℠" or such symbols or words as Licensor may designate to use with or otherwise protect the Licensed Marks;

(3) (i) Licensee will identify itself as a licensee of Licensor and the owner and/or operator of the MVW Ritz-Carlton Business and each Project as allowed or required by Licensor under the Brand Standards.

(ii) Licensor hereby licenses Licensee to, where applicable, use "Ritz-Carlton" as part of the corporate names of Licensee's Affiliates existing as of the date of the Spin-Off Transaction ("Permitted Licensee Affiliate Names") as set forth in Exhibit J.

(iii) Subject to (iv) below, Licensor may terminate such license to use the Permitted Licensee Affiliate Names immediately upon notice to Licensee, in which event, Licensee's and its Affiliates' use of such names shall be immediately discontinued and such corporate names shall be promptly changed to names that do not use the words "Ritz", "Carlton", or "Ritz-Carlton" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names if (i) at any time the aggregate number of Ritz-Carlton Destination Club Units is less than one-half (1/2) of the total number of luxury tier Destination Club Units owned or operated by Licensee, or (ii) Licensee acquires, or merges or is combined with, the Destination Club Business of Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates), Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates), or Four Seasons Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) or any Hilton Brand, Starwood Brand, or Four Seasons Brand and continues to use any Hilton Brand, Starwood Brand, or Four Seasons Brand on or in connection with its Destination Club Business, provided that if clause (ii) is implicated, Licensee shall, in no event, be required to discontinue such use until the fifth (5th) anniversary of the Effective Date. Additionally, if any Affiliate of Licensee that is using a Permitted Licensee Affiliate Name affiliates with a Lodging Competitor Brand, Licensor may terminate the right to use the Permitted Licensee Affiliate Name as to that Affiliate, in which event, the use of the Permitted Licensee Affiliate Name of such Affiliate shall be immediately discontinued and such corporate name shall be promptly changed to a name that does not use the words "Ritz", "Carlton", or "Ritz-Carlton" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(iv) In the event that it is impossible for any Permitted Licensee Affiliate Name to be changed to a corporate name that does not use the words "Ritz-Carlton" pursuant to (iii) above, the license to use the Permitted Licensee Affiliate Name will remain in place for so long during the Term as it remains impossible to change the name; provided, however, the parties will discuss and agree on a solution whereby there are no further consumer-facing uses of the Permitted Licensee Affiliate Name, which may include the adoption of a "doing business as" (DBA) name that does not use the words "Ritz", "Carlton", or "Ritz-Carlton" or any of Licensor's or its Affiliates' other trademarks or trade names or any similar trademarks or trade names.

(v) Licensee shall not, at any time, include any brand name in its corporate name (other than the name "Marriott" in the Permitted Corporate Name and Permitted Licensee Affiliate Names, both as defined in, and in accordance with, the Marriott License Agreement, and the name "Ritz-Carlton" in the Permitted Licensee Affiliate Names as provided herein), other than a new brand name developed by Licensee that does not contain any of the Licensor Intellectual Property or any similar marks or names, provided, that Licensee and its Affiliates may at any time use the words "Vacation", "Vacations", "Worldwide", and/or "Corporation" in an entity name that does not contain any of the Licensor Intellectual Property or any similar marks or names.

(vi) Licensee acknowledges and agrees that the grant of rights to use the Permitted Licensee Affiliate Names hereunder shall not restrict or limit in any way Licensor's or its Affiliates' ability to use the words "Ritz", "Carlton", or "Ritz-Carlton" in any form, manner, or combination or in any context or respect at any time, provided that Licensor and its Affiliates will not use all four of the words "Ritz", "Carlton", "Development" and "Company" in such exact order and form in the name of a single entity for consumer-facing purposes at any time during the Term that Licensee is permitted to use the name "Ritz-Carlton Development Company" as a Permitted Licensee Affiliate Names hereunder, but Licensor and its Affiliates may use such words in any other combination or manner without any restriction whatsoever.

(vii) Licensee will not permit any Property Owners' Associations to use the words "Ritz-Carlton" or any other Licensor Intellectual Property or any similar marks or names in their names.

(4) Notwithstanding Section 13.2.A.(3) or any "fair use" rights that Licensee or its Affiliates may have with respect to the Permitted Licensee Affiliate Names, Licensee and its Affiliates are expressly prohibited from using, and Licensee hereby agrees not to use and agrees to cause its Affiliates not to use, the Permitted Licensee Affiliate Names (or any variation thereof) as part of, or in any way associated with, the name of any property that is not part of the MVW Ritz-Carlton Business without Licensor's prior written consent in its sole discretion. For illustrative purposes only, Licensee and its Affiliates would be prohibited from using the following name: "Napa Valley Destination Club operated by Ritz-Carlton Development Company". However, if a jurisdiction recognizes nominative fair use rights and a Member makes nominative fair use of a Licensed Mark in connection with a sale of its interests in a Project in such jurisdiction, then this section is not intended to limit or modify such fair use rights. If Licensee or its Affiliates use the Permitted Licensee Affiliate Names, or any variation thereof in violation of this Section 13.2.A(4), then, in addition to any damages that Licensor or its Affiliates may be entitled to hereunder or under Applicable Law, Licensor will have the right to require Licensee or its Affiliates, as applicable, to pay Royalties for each property with respect to which Licensee or its Affiliates are using the Permitted Licensee Affiliate Names, or a variation thereof, in violation of this Section 13.2.A(4).

(5) Licensee does not have any right to and will not Transfer, sublicense, or allow any Person to use any of the Licensor Intellectual Property, except as expressly permitted in this Agreement;

(6) Licensee will not use the Licensor Intellectual Property to incur any obligation or indebtedness on behalf of Licensor or any of its Affiliates;

(7) Licensee will not apply for trademark or service mark registration of any Proprietary Mark, any variation thereof, or any mark determined by Licensor to be similar to, or that includes, any Proprietary Mark in the United States or any other country or jurisdiction. If Licensee requests that Licensor file an application for a new trademark that includes any Proprietary Mark which is related to a new program or initiative under the MVW Ritz-Carlton Business and Licensor approves such request (such approval to be granted if the request is commercially reasonable), Licensor will file such application at Licensor's expense. If Licensee wishes to modify an existing Licensed Mark and requests that Licensor file an application for such modified Licensed Mark, and Licensor approves such request to modify, Licensor will file such application, but Licensee must reimburse Licensor for all costs and expenses related to such application (including without limitation the costs for conducting a trademark search, filing and prosecuting an application through to registration, maintenance of any resulting registrations (unless such resulting registration replaces an existing registration for a Licensed Mark that is not maintained), and any related appeals, proceedings, disputes, oppositions and litigation).

(8) If Licensee or any of its Affiliates registers or has registered or directly or indirectly controls any domain name that is determined by Licensor to be similar to the domain names owned by Licensor or its Affiliates as described in Section 13.2.B(1) below or that incorporate any of the Proprietary Marks (or any variation thereof), Licensee or its Affiliates, as applicable, must unconditionally assign such domain names to Licensor or its Affiliate;

(9) Licensee will obtain Licensor's approval of, and will comply with Licensor's instructions in filing and maintaining, any required business, trade, fictitious, assumed, or similar name registrations containing the Licensed Marks. Licensee will also execute any documents and take such other action deemed necessary by Licensor or its counsel to protect and enforce the Proprietary Marks or maintain their validity and enforceability; and

(10) If litigation or other demand or action involving the Licensor Intellectual Property is instituted or threatened against Licensee or any notice of such infringement is received by Licensee, or if Licensee becomes aware of any infringement or other violation of the Licensor Intellectual Property by Licensee or a third party, Licensee will promptly notify Licensor in writing and will cooperate fully with Licensor and comply with Licensor's instructions in connection with Licensor's defense, prosecution or settlement of such litigation, notice, infringement or violation. Licensor shall have sole responsibility for enforcing the Licensor Intellectual Property at its sole discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. If any such settlement amount or damage award received by Licensor is solely based on damage to or impact on the exclusively licensed aspects of the MVW Ritz-Carlton Business, then after applying such amount or award toward Licensor's attorneys' fees and other costs related to the matter, Licensor will share any remaining portion of the settlement amount or damage award with Licensee in a equitable manner as determined by Licensor based on the relative interests of the parties.

B. Licensee agrees that:

(1) Licensor and/or its Affiliates are the owners or licensees of all right, title, and interest in and to the System (other than Electronic Systems provided by or licensed by third parties), the goodwill associated with and symbolized by the Proprietary Marks, and the domain names www.ritzcarltonclub.com and www.ritzcarlton.com, and other domain names owned by Licensor or its Affiliates;

(2) the Proprietary Marks are valid and serve to identify the System and those who hold rights to operate under the System;

(3) the Proprietary Marks are subject to replacement, addition, deletion, and other modification by Licensor (or the Affiliate that owns the Proprietary Marks) in its discretion. In such event,

(a) Licensor may require Licensee to discontinue or modify Licensee's use of any of the Licensed Marks or to use one or more additional or substitute or modified marks; provided, however, that Licensor shall not amend, modify, delete, or change the words "Ritz-Carlton" in any of the Licensed Marks described in (i) through (ii) and in (iv), (v) or (vi) of the definition of "Licensed Marks" as used in connection with the MVW Ritz-Carlton Business (other than the appearance, including the color, font, stylization, script, or format of the words "Ritz-Carlton" used as part of such Licensed Marks, provided that Licensor will not change the size or location of the words "Ritz-Carlton" in relation to the other components of the marks described in (i) through (ii) and in (iv), (v) or (vi) of the definition of Licensed Marks) without Licensee's prior written consent in its sole discretion. Notwithstanding the foregoing, Licensee will not be required to discontinue using or change

any Licensed Mark that is used solely in connection with the MVW Ritz-Carlton Business and is not the same as or similar to any mark owned by Licensor or its Affiliates for use in connection with Licensor Lodging Facilities or other businesses and activities of Licensor and its Affiliates; and

(b) Licensor may require that Licensee bear the costs related to such replacement, addition, deletion, or other modification in respect of the MVW Ritz-Carlton Business; provided, however, that Licensor shall treat Licensee in the same way that Licensor treats owners of Ritz-Carlton Hotels with respect to such costs, or the economic equivalent thereof.

(4) During the Term and thereafter, Licensee will not directly or indirectly (i) attack or otherwise challenge the ownership, title or rights of Licensor or its Affiliates in and to any part of the System; (ii) contest the validity of any part of the System, or the right of Licensor to grant to Licensee the use of any part of the System (other than Electronic Systems provided by or licensed by third parties) in accordance with this Agreement; (iii) take any action or refrain from taking any action that could impair, jeopardize, violate, or infringe any part of the System; (iv) claim adversely to Licensor or its Affiliates any right, title, or interest in and to the System; (v) assert any interest in all or any part of the System or the Licensor Intellectual Property by virtue of a constructive trust; (vi) misuse or harm or bring into dispute the System; or (vii) make any demand, or serve any notice orally or in writing, on a third party or institute any legal action against a third party, or negotiate, litigate, compromise or settle any controversy with a third party in relation to any claim, suit or demand, involving the Licensor Intellectual Property without first obtaining Licensor's consent, which consent may be granted or withheld in Licensor's discretion;

(5) Licensee has no Ownership Interest in the System or the Licensor Intellectual Property (including any modifications, derivatives or additions thereto proposed by or on behalf of Licensee or its Affiliates (for purposes hereof, collectively, "modifications")), and Licensee's use of the System and the Licensor Intellectual Property in connection with the operation of the MVW Ritz-Carlton Business and the Projects will not give Licensee any Ownership Interest therein. Licensee hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications to the Licensor Intellectual Property and other aspects of the System proposed or created by or on behalf of Licensee or its Affiliates. Licensee waives (and will cause each of its employees or independent contractors who contributed to such modifications to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Licensee (or its employees or independent contractors) may now or hereafter have in such modifications, and Licensee disclaims any interest in such modifications by virtue of a constructive trust. Licensee agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may be deemed necessary by Licensor to perfect or protect the title in the modifications herein conveyed, or intended to be conveyed now or in the future; and

(6) all goodwill arising from Licensee's use of the System (other than Electronic Systems provided by or licensed by third parties) and any other aspect of the System will inure solely and exclusively to Licensor's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Licensee's use of any aspect of the System.

C. The provisions of this Section 13.2 will survive the expiration or termination of this Agreement.

13.3 Licensee's Use of Other Marks.

A. Licensee will not use in any manner any of the System in connection with any Other Mark(s) (except the Licensee Marks), without Licensor's prior written approval in Licensor's sole discretion.

B. Licensee will not use any name or Other Mark (including the Licensee Marks) in connection with the MVW Ritz-Carlton Business or the Projects that may infringe upon, or tend to be confused with, dilute or otherwise violate a third party's trade name, trademark, or other rights in intellectual property.

C. Except as otherwise expressly permitted by Section 9.3 and 9.5, Licensee will not use or permit the use of any Other Mark (except for the Licensee Marks) in connection with the MVW Ritz-Carlton Business or the Projects or in any Marketing Content, advertising of, for, relating to or involving the MVW Ritz-Carlton Business or the Projects or its operation without Licensor's prior approval, which approval may be granted or withheld in Licensor's sole discretion; provided, however, nothing in this Section 13.3.C is intended to prohibit Licensee or its Affiliates from utilizing Other Marks in connection with the operation of country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops in the ordinary course of business at Projects.

13.4 Licensee Website.

A. Licensee has established and intends to continue the use of an Internet website to advertise and promote the MVW Ritz-Carlton Business and the Projects ("Licensee's Website"). Except as permitted with respect to Licensee's Website as described below, Licensee will not display the Licensed Marks or associate the System with (through a link or otherwise) any website, electronic Marketing Content, domain name, address, designation, or listing on the Internet or other communication system, except in compliance with the Brand Standards. Licensor will not object to foregoing items that Licensee has in place as of the Effective Date as not being in compliance with Brand Standards, other than misuses of the Licensed Marks; provided, however, that, following the Effective Date, any changes, additions, expansions, or other modifications of the foregoing and any new uses with respect to the foregoing must be in accordance with the Brand Standards. Licensor will permit Licensee to operate and maintain Licensee's Website, provided that (a) the form, content and appearance of the Licensed Marks that appear on Licensee's Website, and any modifications thereto, comply with the Brand Style and Communications Guide or are otherwise approved in writing by Licensor (such approval not to be unreasonably withheld, conditioned or delayed) before being posted on the Internet; and (b) Licensee's Website complies with all Data Protection Laws and the data protection laws of other jurisdictions that apply to Licensee's Website.

B. Licensee agrees that Licensor will be the registrant (i.e., registered owner) of all domain names that contain, reference, or are comprised of any of the Licensed Marks now and in the future (collectively, "Licensed Domains"), and that all Licensed Domains will be registered and maintained with Licensor's domain name registrar (the "Registrar"), which, as of the Effective Date, is CSC. Licensor will have a "parent account" at the Registrar, and Licensee will have a "child account" at the Registrar under Licensor's parent account for purposes of registering and managing all Licensed Domains that Licensee is permitted to use under this Agreement. Licensee will serve as and be identified as the administrative and technical contacts for the Licensed Domains, and Licensee will be solely responsible for the use and maintenance of the Licensed Domains (including without limitation controlling the child account and the user name and password for that account, paying all registration and renewal fees, maintaining and updating the servers for the Licensed Domains and any corresponding websites, and maintaining accurate contact information on the WHOIS records for the administrative and

technical contacts). However, Licensor has the option, but is not required, to pay registration and renewal fees and take any actions to prevent the cancellation or expiration of any of the Licensed Domains. Licensee will not directly or indirectly: (1) delete or cancel any of the Licensed Domains without prior notice to Licensor and affording Licensor an opportunity to assume control or management of such Licensed Domains, (2) transfer control or management of any of the Licensed Domains to a new registrar, (3) transfer ownership of any of the Licensed Domains to an owner other than Licensor, (4) except as consented to by Licensor, encumber any of the Licensed Domains in any way (collectively, the "Changes"), or (5) permit use of the Licensed Domains, directly or indirectly, in any manner inconsistent with the terms of this Agreement. Licensee's child account with the Registrar will not permit Licensee to make any Changes. Upon expiration or termination of the Agreement, Licensor will subsume Licensee's child account into its parent account and will take over the disposition and management of all Licensed Domains in that account as Licensor may determine in its sole discretion, and Licensee will provide any cooperation necessary to carry this out.

13.5 Credit and Debit Cards.

A. Except to the extent used under Section 13.5.B(ii)(a), Licensee and its Affiliates shall not use any of the Licensor Intellectual Property, including the Licensed Marks or the MVW Ritz-Carlton Business Customer Information, to brand, co-brand, sponsor, market, or promote or otherwise affiliate with a credit, charge or debit card other than through an arrangement with Licensor in connection with a Ritz-Carlton branded, co-branded, sponsored, marketed, or promoted credit, charge or debit card.

B. Licensee shall not market or promote the acquisition of a credit, charge or debit card in connection with the MVW Ritz-Carlton Business, including using any customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) or Branded Elements in connection with the marketing or promotion of the acquisition of a credit, charge or debit card, other than (i) in an arrangement with Licensor in connection with a Ritz-Carlton branded, co-branded, sponsored, marketed or promoted credit, charge or debit card, or (ii) in an arrangement that complies with Section 13.5.A above, and each of the following, subject to Section 13.5.C: (a) Licensee and its Affiliates may not market or promote such card except to existing Members of Ritz-Carlton Destination Club Products, (b) Licensee and its Affiliates may not market or promote such card at Ritz-Carlton Destination Club Projects or Ritz-Carlton Residential Projects, (c) such card may offer benefits to cardholders such as discounts on Ritz-Carlton Destination Club Products, or stays, products or services at Ritz-Carlton Destination Club Projects, but may not offer points or other benefits that consist of or are exchangeable into points under a Brand Loyalty Program, or usage rights for Ritz-Carlton Destination Club Units that may be used or converted into stays or other benefits at Licensor Lodging Facilities, and (d) such card may not be branded or sponsored by any Lodging Competitor Brand.

C. Licensee shall only be obligated to participate in an arrangement with Licensor in connection with a Ritz-Carlton branded, co-branded, sponsored, marketed or promoted credit, charge or debit card provided that Licensor is complying with its obligations relating to such arrangement in the Services Manual. Unless Licensee elects to no longer participate in such arrangement, so long as Licensee is participating in such an arrangement and Licensor is complying with its obligations relating to such arrangement in the Services Manual, Licensee shall not have the right to enter into an arrangement described in clause (ii) of Section 13.5.B.

D. Nothing in this Section 13.5 shall restrict Licensee from entering into (i) credit, charge or debit card acceptance, merchant, servicing, and similar arrangements in the ordinary course of business with credit, charge and debit card companies, or (ii) subject to Sections 9.3 and 9.5, co-marketing, promotional and similar arrangements with credit, charge and debit card companies designed to promote the sale and general awareness of Ritz-Carlton Destination Club Products and Ritz-Carlton Residential Units to the card company's customer base or (iii) subject to Sections 9.3 and 9.5, arrangements with credit, charge and debit card companies under which the card company's customers can use credit card points for stays and services at Projects. For the avoidance of doubt, with respect to clauses (ii) and (iii) in the previous sentence, Licensee is not permitted to use any MVW Ritz-Carlton Business Customer Information; provided, that in the case of clause (ii), Licensee may use the list of Members of Ritz-Carlton Destination Club Products for the sole purpose of expunging such Members from the card company's recipient list for such promotion.

13.6 Use of Licensee Marks.

A. Licensee represents that: (i) Licensee owns the registrations and/or the applications to register the Licensee Marks; and (ii) to the best of its actual knowledge: (x) Licensee has the right to consent to Licensor's use of the Licensee Marks and (y) there are no claims, litigation or proceedings pending or threatened by any Person that would materially affect Licensor's use of the Licensee Marks as contemplated by the terms of this Agreement. Licensee hereby consents to Licensor's and its Affiliate's use of the Licensee Marks in connection the MVW Ritz-Carlton Business and the Projects (including in printed marketing and promotional materials, and on Licensor's website) and agrees that such consent shall remain in full force and effect until thirty (30) days following the termination of this Agreement for any reason. Licensor consents to Licensee's use of the Licensee Marks in connection with the Licensed Marks on the terms and conditions set forth in this Section 13.6.

B. Licensee will use the Licensee Marks together with the Licensed Marks only as authorized under this Agreement in connection with the MVW Ritz-Carlton Business and the Projects and only in accordance with the Brand Style and Communications Guide or as otherwise authorized in advance by Licensor in writing. Licensee will strictly conform all uses of the Licensee Marks together with the Licensed Marks to the content, layout and graphic design of sample materials in accordance with the Brand Style and Communications Guide or as otherwise approved in advance by Licensor, and Licensee shall restrict such usage to types of activity, medium or signage in accordance with the Brand Style and Communications Guide or as otherwise specifically approved in advance by Licensor.

C. Licensee will not file, seek or make any registration containing any of the Licensee Marks together with any Licensed Marks. If such filing is required by Applicable Law, such registration shall be subject to the prior written approval of Licensor and shall be made solely by Licensor in Licensor's name. Licensee shall withdraw, cancel or assign to Licensor, at Licensor's option, any unauthorized registration upon the request of Licensor. At Licensee's request upon the expiration or termination of this Agreement, Licensor shall withdraw or cancel any registration containing any Licensee Marks together with Licensed Marks.

D. Upon termination of this Agreement for any reason, Licensee will cease using the Licensed Marks as specified in Section 19 of this Agreement, including all use of the Licensed Marks together with the Licensee Marks as authorized pursuant to this Section 13.6. Upon termination of this Agreement for any reason, Licensor will cease using the Licensee Marks as specified in Section 19 of this Agreement, including all use of the Licensee Marks together with the Licensed Marks as authorized pursuant to this Section 13.6.

E. Licensee acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensed Marks as a result of the use of the Licensee Marks together with the Licensed Marks, (b) all goodwill associated with the Licensed Marks generated by their use together with

the Licensee Marks shall inure solely to Licensor, and (c) it shall not assert that the Licensed Marks and the Licensee Marks when used together comprise a composite or unitary mark. Licensor acknowledges and agrees that (a) it shall not acquire any right, title or interest in or to the Licensee Marks as a result of the use of the Licensed Marks together with the Licensee Marks, (b) all goodwill associated with the Licensee Marks generated by their use together with the Licensed Marks shall inure solely to Licensee, and (c) except as necessary in connection with a filing by Licensor under Section 13.6.C, it shall not assert that the Licensee Marks and the Licensed Marks when used together comprise a composite and unitary mark.

F. Licensee hereby acknowledges and agrees that if at any time the use of the Licensee Marks in connection with the MVW Ritz-Carlton Business or any Project is challenged by a third party, Licensor may require that such use immediately cease or that the affected Licensee Marks be changed in a manner that resolves the challenge raised by the third party. Notwithstanding the potential requirement above by Licensor that Licensee cease using or use a changed Licensed Mark upon a third-party challenge to the Licensed Mark, if Licensee believes such challenge is without merit, Licensee may request that Licensor contest such challenge and Licensor shall determine how to proceed in Licensor's discretion. Except as otherwise set forth in this Agreement, Licensee shall have sole responsibility for enforcing the Licensee Marks in its discretion and cost and is entitled to all settlements, damages, costs, attorneys' fees or other amounts received from such enforcement efforts. In the course of enforcing or defending the Licensee Marks, Licensee shall not make any statements, take any positions or actions, or enter into any agreements that may restrict, narrow, limit or affect Licensor's rights to the Licensed Marks. To the extent any Licensee Mark is used in connection with any of the Licensed Marks, enforcement and defense of the Licensed Marks is governed by Section 13.2.A(10).

13.7 Assignment of Certain Intellectual Property to Licensee.

A. Effective as of the date of the Spin-Off Transaction, Licensor and/or its Affiliates will assign, or have assigned, to Licensee certain intellectual property pursuant to an assignment agreement in the form agreed to by the parties.

B. Upon the Deflagging of all Projects using a particular Licensed Project Name, Licensor and/or its Affiliates will assign, or have assigned, to Licensee the Licensed Project Name and the related Licensed Project Domains applicable to such Project(s), and upon the termination or expiration of this Agreement, Licensor and/or its Affiliates will assign, or have assigned, to Licensee all of the then-existing Licensed Project Names and the related Licensed Project Domains. Such assignments shall be made pursuant to an assignment agreement in the form agreed to by the parties at the time of such assignment.

14. CONFIDENTIAL INFORMATION; DATA PROTECTION LAWS

14.1 Confidential Information.

A. Licensee will not, during the Term or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Agreement. Licensee may divulge such Licensor Confidential Information only to such of Licensee's employees or agents as require access to it in order to operate the MVW Ritz-Carlton Business and the Projects and to comply with Licensee's obligations under the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially

similar to those listed above. All other Persons, including, without limitation, any acquirer or potential acquirer of Licensee, are "unauthorized" for purposes of this Agreement. Licensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its Affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Section 14.1.A by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor the theft or loss of all or any part of the Licensor Confidential Information.

B. Licensor will not, during the Term or thereafter, without Licensee's prior consent, which consent may be granted or withheld in Licensee's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person any Licensee Confidential Information or use the Licensee Confidential Information in any manner not expressly authorized by this Agreement. Licensor may divulge such Licensee Confidential Information only to such of Licensor's employees or agents as require access to it in order to comply with its obligations with respect to the operation of the Projects and the MVW Ritz-Carlton Business and with the Transaction Agreements, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other Persons are "unauthorized" for purposes of this Agreement. Licensor agrees that the Licensee Confidential Information has commercial value and that Licensee and its Affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensee Confidential Information is proprietary and a trade secret of Licensee and its Affiliates. Licensor will be liable to Licensee for any breaches of the confidentiality obligations in this Section 14.1.B by its employees and agents. Licensor will maintain the Licensee Confidential Information in a safe and secure location and will immediately report to Licensee the theft or loss of all or any part of the Licensee Confidential Information.

14.2 Data Protection Laws; Data Security.

A. With respect to the MVW Ritz-Carlton Business, each party will comply with all applicable Data Protection Laws and the Brand Standards related thereto and do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep the other party and its Affiliates in compliance with any of the Data Protection Laws. Each party shall reimburse the other party and its Affiliates for any and all costs incurred in connection with the breach by such party of such Data Protection Laws or the Brand Standards.

B. Without limiting the foregoing, each party shall implement with respect to the MVW Ritz-Carlton Business reasonable, current security measures to prevent unauthorized access to data relating to the MVW Ritz-Carlton Business (including the MVW Ritz-Carlton Business Customer Information) under such party's control. Such measures shall in no event be less stringent than (i) those used by such party to safeguard the Licensee Confidential Information and the Licensee Intellectual Property (in the case of Licensee) or the Licensor Confidential Information and the Licensor Intellectual Property (in the case of Licensor) or (ii) industry standard security measures used by companies of a similar size. Such measures shall include, where appropriate, use of updated firewalls, virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches, virus definitions and other updates.

C. Each party shall secure all Personally Identifiable Information from unauthorized access, use, disclosure and loss using commercially reasonable security practices and technologies. If either party becomes aware of a suspected or actual breach of security involving Personally Identifiable Information, such party will notify the other party promptly after becoming aware of such occurrence. For purposes of such notification, Licensee shall notify Licensor's Information Protection and Privacy Department at privacy@ritzcarlton.com and privacy@marriott.com and Licensor shall notify Licensee's Information Protection and Privacy Department at mvciprivacy@vacationclub.com, in either case or such other email addresses as a party may notify in writing to the other party from time to time.

15. ACCOUNTING AND REPORTS

15.1 Books, Records, and Accounts.

Licensee at its expense will maintain and preserve for at least the period of time required by Applicable Law, complete and accurate books, records, and accounts in accordance with United States generally accepted accounting principles, consistently applied, and Applicable Law, for the MVW Ritz-Carlton Business, including, without limitation, each sale of an interest in Destination Club Units and Residential Units and other reasonable information that is necessary for Licensor to determine whether Licensee is in compliance with this Agreement. Licensee's obligation to preserve such books, records and accounts will survive the expiration or termination of this Agreement.

15.2 Reports.

A. Licensee will, at its expense, submit to Licensor within fifteen (15) days after the close of each Accounting Period during the Term a statement, in the form attached hereto as Exhibit D, containing specified sales information for such Accounting Period with respect to the MVW Ritz-Carlton Business, including aggregate initial sales relating to Gross Sales Prices, aggregate re-sales relating to Gross Sales Prices, aggregate initial sales relating to Gross Commissions, and aggregate re-sales relating to Gross Commissions and the Project count (showing the number of open and operating Projects and the corresponding number of Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units built and that have a certificate of occupancy) as of the end of each such Accounting Period.

B. Licensee will, at its expense, submit to Licensor within ninety (90) days following the end of each calendar year during the Term information regarding the length of the terms, renewal rights, and expiration dates of Property Owners' Association management agreements.

15.3 Licensor Examination and Audit of Licensee's Records.

A. Licensor and its authorized representatives have the right, at any time (but not more than once per calendar year, unless an audit reveals an understatement in such year), upon reasonable notice to Licensee, to: (i) examine all books, records, and accounts of Licensee for the five (5) years preceding such examination that relate to support for calculation of the Royalty Fees and other amounts payable under this Agreement where the calculation of such amount depends on information provided by Licensee and copy such information that is reasonably necessary for, and relevant to, such audit; and (ii) have an independent audit made of any of such books, records, and accounts. Licensee will provide such other assistance as may be reasonably requested related to the audit. If an examination or audit reveals that Licensee has made underpayments to Licensor or any of its Affiliates, Licensee will promptly pay to Licensor or such Affiliate upon demand the amount underpaid plus interest on the underpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the date such amount was due until paid. If Licensee in good faith disputes that there was an underpayment, the parties will review the books and records in a cooperative manner in an attempt to resolve any discrepancy.

B. If an examination or audit discloses an understatement of payments due to Licensor of five percent (5%) or more for the period being examined or audited, or if the examination or audit reveals that the accounting procedures are insufficient to determine the accuracy of the calculation of any payments due, Licensee will reimburse Licensor for all reasonable costs and expenses connected with the examination or audit (including reasonable accounting and lawyers' fees). If the examination or audit establishes a pattern of underreporting, Licensor may require that the financial reports due under Section 15.2 be audited by an internationally recognized independent accounting firm consented to by Licensor. The foregoing remedies are in addition to any other remedies that Licensor may have under this Agreement.

C. If an examination or audit reveals that Licensee has made overpayments to Licensor or any of its Affiliates, Licensor or such Affiliate will promptly pay to Licensee upon demand the amount overpaid. If Licensor does not pay Licensee the overpaid amount within thirty (30) days after receiving documentation evidencing such overpayment reasonably requested by Licensor, Licensor will also pay interest on the overpaid amount which will accrue thereon at a rate per annum equal to the Interest Rate from the thirtieth (30th) day following Licensor's receipt of such documentation until paid.

D. Licensee acknowledges that, in addition to the audit rights of Licensor as set forth above, RHL may have certain audit rights with respect to the MVW Ritz-Carlton Business within the RHL Territory as set forth in the RHL Agreement, and Licensee agrees comply therewith. Licensor will not agree to an amendment of the RHL Agreement that would result in RHL having additional audit rights with respect to the MVW Ritz-Carlton Business within the RHL Territory.

E. To the extent Licensee is required to have access to information that is in the sole possession of Licensor or its Affiliates for purposes of Licensee's compliance obligations with respect to the Sarbanes-Oxley Act of 2002 (or any successor statute) or for purposes of Licensee's reporting obligations as a publicly-traded company or for compliance obligations with respect to the RHL Agreement, Licensor will cooperate in providing access to the necessary information that is within Licensor's or its Affiliates' control and that Licensor and its Affiliate is permitted to provide under Applicable Law.

16. INDEMNIFICATION; CONTRIBUTION IN LIEU OF INDEMNIFICATION; AND INSURANCE

16.1 Indemnification.

A. Licensee will, and hereby does, indemnify and defend Licensor and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensor, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensee or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) the use of any Licensor Intellectual Property in violation of this Agreement;

(ii) any violation of Applicable Law with respect to the MVW Ritz-Carlton Business;

(iii) a claim that Licensor or its Affiliates are developers, declarants, sponsors, or brokers of Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units;

(iv) any design, renovation, upgrading, alteration, remodeling, repair or construction defect claims (in no event shall this provision impact Licensee's rights and interest under any insurance policies as provided under other Transaction Agreements) or claims related to services provided to Members;

(v) claims related to services provided to Members, any claim by any Member relating to the interests in Destination Club Units or Residential Units, any claim by any Member relating to any untrue statement or alleged untrue statement of a material fact contained in the offering materials, or any omission or alleged omission to state a material fact required to be stated in such offering materials or necessary to make the statements made therein not misleading;

(vi) the offer or sale of interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units, including any disputes or lawsuits arising therefrom;

(vii) the development, sales, and marketing activities occurring on or after the date of the Spin-Off Transaction and the operation or servicing of the Projects or of any other business conducted by Licensee or its Affiliates on, related to, or in connection with the Projects or the MVW Ritz-Carlton Business;

(viii) the unauthorized use of the Licensed Marks in connection with the offer and sale of interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units (a) in any Unregistered Area and (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations;

(ix) claims made by Members or other customers of the MVW Ritz-Carlton Business as a result of the termination (other than wrongful termination by Licensor) or expiration of this Agreement or any rights granted hereunder in accordance herewith;

(x) infringement, dilution or other claims by third parties in relation to the Licensee Intellectual Property or for Licensor's use of Licensee Intellectual Property that is licensed, or the use of which is consented to, hereunder by Licensee in accordance with the terms of this Agreement;

(xi) failure to pay Taxes payable by, levied or assessed against Licensee, its Affiliates, or any Property Owners' Association by Tax authority relating to the MVW Ritz-Carlton Business, the Projects, this Agreement, any other Transaction Agreements or in connection with operating the Projects or the MVW Ritz-Carlton Business;

(xii) Logoed Merchandise produced by or on behalf of Licensee, and its Affiliates bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights or other rights;

(xiii) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals;

(xiv) the infringement of a third party's intellectual property rights in connection with the MVW Ritz-Carlton Business, other than with respect to use by Licensee and its Affiliates of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement;

(xv) any claim arising from the operation, ownership or use of the MVW Ritz-Carlton Business, the Projects or of any other business conducted on, related to, or in connection with the Projects;

(xvi) failure to operate the Projects in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating the operation of the Projects as Destination Club Products or as Residential Products; and

(xvii) failure to comply with the terms and conditions of the RHL Agreement as required by Section 1.E.

B. Licensor will, and hereby does, indemnify and defend Licensee and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description with respect to claims brought by third-parties, including allegations of negligence by Licensee, its Affiliates, and their respective officers, directors, employees, and agents (subject to Section 16.1.G.), to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from acts or omissions by Licensor or its Affiliates or their respective officers, directors, agents, or employees involving the following:

(i) infringement claims by third parties for Licensee's use of Licensor Intellectual Property that is licensed hereunder to Licensee in accordance with the terms of this Agreement, but excluding any Licensor Intellectual Property that is licensed from, or otherwise provided by, a third party (other than an Affiliate of Licensor), provided that the use of the Licensor Intellectual Property is in accordance with the terms and conditions of this Agreement;

(ii) if Licensee and its Affiliates are in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement relating to the operation of the Projects as Destination Club Projects or as Residential Projects, claims by owners, developers, operators, lessees, licensees, or franchisees of Licensor Lodging Facilities that the conduct of the MVW Ritz-Carlton Business violates Agreed Territorial Protections;

(iv) a material default under the RHL Agreement by Licensor;

(v) any violation of Applicable Law with respect to the MVW Ritz-Carlton Business;

(vi) to the extent that Licensor or its Affiliates provide services to customers of the MVW Ritz-Carlton Business, claims by the customers concerning the services provided by Licensor or its Affiliates to such customers of the MVW Ritz-Carlton Business;

(vii) to the extent that Licensor or its Affiliates operate or provide services to the Projects or operate other businesses at, or in connection with the Projects or the MVW Ritz-Carlton Business, claims by customers arising directly out of or based solely on the operation of Projects or services provided by Licensor or its Affiliates; and

(viii) breach of the obligations with respect to Personally Identifiable Information or data security under this Agreement and any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals.

Notwithstanding the foregoing, Licensor shall have no liability for any claims arising out of or relating to:

(x) Licensee's or its Affiliates' unauthorized use of the Licensed Marks: (a) in any Unregistered Area or the Excluded Area; (b) in any jurisdiction where the Licensed Marks are the subject of Vulnerable Registrations; or (c) in any jurisdiction where the Licensed Marks have been previously registered or applied for by third parties or with respect to which there are prior users or prior conflicting rights held by third parties;

(y) any uses of the Licensed Marks by Licensee or its Affiliates that are not covered by the trademark registrations for the Licensed Marks held by Licensor or its Affiliates; or

(z) Logoed Merchandise bearing the Licensed Marks, including without limitation products claims and claims for infringement, dilution or any other violation of intellectual property rights.

C. If either party receives notice of any action, suit, proceeding, claim, demand, inquiry, or investigation for which it is entitled to an indemnity under Sections 16.1.A. or B., the party receiving notice shall promptly notify the other party.

D. Unless the parties otherwise agree, within 30 days after an indemnifying party receives notice of a third-party claim in accordance with Section 16.1.C, the indemnifying party will defend the third-party claim (and, unless the indemnifying party has specified any reservations or exceptions, seek to settle or compromise), at its expense and with its counsel. The indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the third-party claim. However, the indemnifying party will pay the fees and expenses of the indemnitee's counsel (a) for any period during which the indemnifying party has not assumed the defense of the third-party claim (other than for any period in which the indemnitee did not notify the indemnitee of the third-party claim as required by Section 16.1.C.) or (b) if the engagement of counsel is as a result of a conflict of interest, as the indemnitee reasonably determines in good faith. Notwithstanding the above, if Licensor determines that the matter at issue may have a material adverse effect on Licensor, the Licensed Marks, or Licensor's Lodging Business, then Licensor, through counsel of its choice, may control the defense or response to any such action, and such undertaking by Licensor will not, in any manner or form, diminish Licensor's obligations to Licensee hereunder. If the matter at issue principally relates to Licensee's interest in the MVW Ritz-Carlton Business, Licensor shall allow Licensee through counsel of its choice to control the defense or response to any such action.

E. Under no circumstances will any indemnitee be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim for indemnification under this Agreement, and the failure to pursue such recovery or mitigate a loss will in no way reduce the amounts recoverable from the indemnifying party by the indemnitee.

F. The remedies provided in this Section 16.1 are cumulative and do not preclude assertion by any indemnitee of any other rights or the seeking of any and all other remedies against any indemnifying party.

G. (1) Notwithstanding anything to the contrary in Sections 16.1.A or B, if the third party claim at issue results directly and solely from a breach by the party seeking indemnification of such party's obligations under this Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, then the party seeking indemnification will not be entitled to indemnification, to the extent such claim or some or all of claimants' damages results directly and solely from such breach. For the avoidance of doubt, (a) a failure by Licensor to (i) inspect or note in any inspection a deficiency or non-compliance with Brand Standards by Licensee or its Affiliate or (ii) enforce compliance with any Brand Standard by Licensee or its Affiliate or (b) any approval by Licensor of conduct or actions of Licensee or its Affiliate, shall not be deemed a breach that would limit or otherwise affect Licensee's obligation to indemnify Licensor.

(2) Except as may expressly be set forth in this Agreement, none of Licensor or its Affiliates or Licensee or its Affiliates will in any event have any liability to the other (including the obligation to indemnify the other party under this Section 16.1), or to any other Licensor indemnitee or Licensee indemnitee, as applicable, under this Agreement (a) for claims where either party or their Affiliates or their respective officers, directors, employees or agents are found to be solely responsible by a final non-appealable judicial decision for such damages or losses based upon such person's or entity's willful misconduct or gross negligence or (b) for any indirect, punitive or consequential damages (other than to the extent the indemnitee is liable for such damages under a court order issued in connection with a claim).

H. The parties' obligations under this Section 16.1 will survive the termination or expiration of this Agreement.

16.2 Insurance Requirements of Licensee.

A. During the Term, Licensee, at its (or the Property Owners' Associations') expense, will procure and maintain (or cause to be procured and maintained) such insurance as may be required by the terms of any condominium, association, and trust agreements on each Project or Applicable Law, and no less than the following:

(1) Property Insurance

(a) Property insurance coverage on each Project as required under the applicable Project condominium, association, and trust agreements, except to the extent procured by Licensor under any RCHC Management Agreement. In the event the applicable Project does not have condominium, association, or trust agreements or insurance requirements set forth in such agreements, the Project building(s) and contents shall be insured against loss or damage by fire, lightning, and all other risks covered by the usual all-risk policy form, all in an amount not less than the full replacement cost (as such term is customarily used in the insurance industry) and earthquake, windstorm, flood, and terrorism in reasonable amounts.

(2) Workers' compensation insurance in statutory amounts on all employees of each Project and employer's liability insurance in amounts not less than $1,000,000 per accident/disease.

(3) Comprehensive or commercial general liability insurance for any losses arising from each Project or its operation, with a limit of not less than $1,000,000 per each occurrence for bodily injury and property damage. If the general liability coverages contain a general aggregate limit, such limit will be not less than $2,000,000, and it will apply in total to the applicable Project only. Such insurance will be on an occurrence policy form and will include premises and operations, independent

contractors, blanket contractual, products and completed operations, acts of terrorism, world wide defense and indemnity, advertising injury, employees as additional insureds, personal injury, incidental medical malpractice, severability of interests, innkeeper's and safe deposit box liability, and explosion, collapse and underground coverage during any construction, renovation, upgrading and/or remodeling.

(4) Liquor Liability (applicable when alcoholic beverages are distributed, sold, served, or furnished at the Project) for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence or each "common cause" and an aggregate of $2,000,000.

(5) Business Auto Liability including owned, non-owned and hired vehicles for combined single limits of bodily injury and property damage of not less than $1,000,000 each occurrence.

(6) Umbrella or Excess Liability on a following form in amounts not less than $200,000,000 in excess of the liability insurance required under subsections A(2) through (5) immediately above.

(7) Fidelity insurance coverage or a fidelity bond in an amount not less than $1,000,000 per occurrence.

(8) Employment practices liability insurance in an amount not less than $1,000,000 per occurrence.

(9) Such other insurance as may be customarily carried by other first class operators on projects similar to the Projects or as required by Licensor on similar projects.

B. The following general insurance requirements will be satisfied by Licensee:

(1) All insurance under subsection A(3) through (5) of this Section and subsection A (6) (if such Umbrella or Excess does not follow form with the additional insured status in underlying policies in subsection A(3) through (5) of this Section) will by endorsement specifically name as additional insureds Licensor, any Affiliate of Licensor designated by Licensor, and their employees. All insurance required hereunder will be specifically endorsed or provide that the coverages will be primary and that any insurance carried by any additional insured will be excess and non-contributory, except as provided under an RCHC Management Agreement for a particular Project.

(2) Any deductibles or self-insured retentions allocated to any individual Project by Licensee (excluding deductibles for high hazard risks in high hazard geological zones, such as flood, earthquake, terrorism and windstorm, which will be as required by the insurance carrier) will not exceed $50,000, or such higher amount as may be approved in advance in writing by Licensor.

(3) All insurance purchased in compliance herewith will be placed with insurance companies of recognized responsibility and reasonably acceptable to Licensor which acceptance shall not be unreasonably withheld and approved to do business in the state or country where each Project is located.

(4) All insurance required hereunder will provide if commercially available (if not available, Licensee shall provide such notice) whereby the policies will not be canceled, non-renewed, or limits reduced without at least thirty (30) days prior notice to Licensor. Licensee will deliver to Licensor a certificate of insurance (or certified copy of such insurance policy if requested by Licensor in the event of a loss) in English evidencing the coverages required herein. Renewal certificates of insurance (or certified copies of such insurance policy if requested by Licensor in a particular jurisdiction) will be delivered to Licensor not less than ten (10) days prior to their respective inception dates.

(5) All insurance required hereunder may be written under policies of blanket insurance that cover other properties of Licensee and its Affiliates so long as such blanket insurance fulfills the requirements herein.

(6) Licensee's obligation to maintain the insurance hereunder will not relieve Licensee of its indemnification obligations under Section 16.1.

(7) Should Licensee for any reason fail to procure or maintain the insurance required by this Agreement or as revised in writing by Licensor, Licensor will have the right and authority (without however any obligation to do so) to immediately procure such insurance and to charge the cost thereof to Licensee, which charges, together with a reasonable fee for Licensor's expenses in so acting, will be payable by Licensee immediately upon notice.

16.3 Insurance Required During Construction.

Licensee shall maintain insurance pursuant to the requirements in the Design Review Addendum at Exhibit G.

16.4 Obligation to Maintain Insurance.

Licensee's obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under Sections 16.1. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 16.2 and 16.3 based on competitive terms and conditions in the jurisdiction where the applicable Project is located. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects. In the event Licensor or its Affiliates enter into a RCHC Management Agreement with Licensee, Licensor or its Affiliates agree to maintain the insurance required to be procured by Licensor or its Affiliates pursuant to the terms and conditions of such RCHC Management Agreement, but in no event will the coverage, terms and amounts be less than those terms and conditions set forth in the RCHC Management Agreement.

16.5 Contribution.

A. If the indemnification provided for under this Agreement is unavailable, or insufficient to hold harmless an indemnitee in respect of any indemnified liability, the indemnifying party will contribute to the amount paid or payable by the indemnitee as a result of such liabilities. The amount contributed by the indemnifying party will be in such proportion as reflects the relative fault of the indemnifying party and the indemnitee in connection with the actions or omissions resulting in the liability and any other relevant equitable considerations.

B. The parties agree that any method of allocation of contribution under this Section 16.5 will take into account the equitable considerations referred to in Section 16.5.A. The amount paid or payable by an indemnitee to which the indemnifying party will contribute will be deemed to include any legal or other expenses reasonably incurred by the indemnitee to investigate any claim or defend any action. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

17. TRANSFERABILITY OF INTERESTS

17.1 Transfers by Licensee.

A. Except as otherwise expressly provided herein, Licensee may not assign this Agreement or assign or sublicense any of its rights hereunder, or delegate any of its duties under this Agreement, or sell, transfer or dispose of all or substantially all of its assets relating to the MVW Ritz-Carlton Business, or merge or consolidate with any other entity in which Licensee is not the surviving entity, or engage in a transaction or series of related transactions that result in a Change in Control without Licensor's prior written consent which it may grant or withhold in its sole discretion. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond. Licensee shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensee are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensee by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensee, Licensor shall have the right to terminate this Agreement immediately upon notice to Licensee.

B. Licensee will have the right to propose bulk sales of inventory of interests in Ritz-Carlton Destination Club Units and Ritz-Carlton Residential Units, provided that, if the purchaser of such inventory of interests wishes to use the Licensed Marks in connection with the re-sale of such interests, the following conditions must be met: (i) the proposed purchaser is not a Lodging Competitor; (ii) Licensee has obtained Licensor's prior written approval of the proposed purchaser after having received all information reasonably requested by Licensor that Licensor requires in order to determine if the proposed purchaser meets Licensor's qualifications; and (iii) Licensor and the proposed purchaser have negotiated and entered into a license agreement in form and substance acceptable to Licensor covering such interests.

17.2 Transfers by Licensor.

A. Except as otherwise expressly provided herein, Licensor may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement; provided, however, that Licensor may Transfer this Agreement to any Person without prior notice to, or consent of, Licensee, provided such Person (a) assumes Licensor's obligations to Licensee under this Agreement and (b) (i) is an Affiliate of Licensor that has the legal, financial, and operational ability to perform the obligations of Licensor under this Agreement or (ii) acquires all or substantially all of Licensor's rights in respect of (a) the System, (b) Ritz-Carlton Hotels, and (c) the Branded Elements. This Agreement will be binding on and inure to the benefit of Licensor and the successors and assigns of Licensor. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement Licensor retains ownership or control of any of the underlying assets of the System necessary to perform Licensor's obligations under this Agreement, Licensor will continue to provide to Licensee, or to the Person assuming this Agreement, access to such underlying assets as is necessary to comply with the terms of this Agreement. If, in connection with such acquisition of the rights in respect of the System and the Transfer of this Agreement, the components of the Branded Elements that are used in Ritz-Carlton Hotels are replaced with different or modified components by the Person assuming this Agreement, then, as a condition of such acquisition, such Person will be required to provide Licensee with access to such different or modified components that are comparable to the corresponding

components of the Branded Elements. Licensor shall not make any Transfer to a Specially Designated National or Blocked Person; provided, however, that so long as the Ownership Interests in Licensor are publicly-traded on a U.S., nationally-recognized securities exchange, the purchase of publicly-traded Ownership Interests in Licensor by a Specially Designated National or Blocked Person shall not be deemed to be a violation of this sentence. If a Specially Designated National or Blocked Person acquires a Controlling Interest in Licensor, Licensee shall have the right to terminate this Agreement immediately upon notice to Licensor.

B. Licensee acknowledges that Licensor and its Affiliates operate as a multi-national business enterprise. Without limiting Section 17.2.A., Licensor has the right to Transfer all or part of its rights under this Agreement to any of Licensor's Affiliates and, in connection therewith, require Licensee to pay amounts due under this Agreement to such Affiliates. However, if, as a result of any such Transfer, Licensee will be liable for greater Tax liability for payments due hereunder following such Transfer, any resulting increase in Tax liability shall be borne by Licensor and not by Licensee.

17.3 Proposed Transfers to Lodging Competitors.

Without limiting Section 17.1, no Transfer of any Ownership Interest in Licensee, any Projects, the MVW Ritz-Carlton Business or any Transaction Agreement will be made to a Lodging Competitor that results in a Lodging Competitor obtaining Control of Licensee, the Projects, or the MVW Ritz-Carlton Business. Any such Transfer will be a material default under this Agreement, and Licensor shall be entitled to enjoin or obtain a court order prohibiting such Transfer without posting a bond.

17.4 Comfort Letter and Security Interests in This Agreement.

In connection with any financing benefiting the MVW Ritz-Carlton Business, Licensee may not assign, mortgage, or grant a security interest in, or pledge as collateral, this Agreement, except as permitted hereunder. At Licensee's request, Licensor hereby agrees to provide to Licensee's lender a comfort letter that is substantially similar to the form of comfort letter that has been agreed to by the parties as of the Effective Date, so long as such lender is not an Affiliate of Licensee and Licensee is not in breach of any of its obligations under this Agreement. However, Licensor has no obligation to provide a "comfort letter" in connection with, or consent to, a transaction that would be prohibited by this Section 17. If a lender forecloses on, or otherwise exercises its rights against the assets of the MVW Ritz-Carlton Business, the revenues of the MVW Ritz-Carlton Business, or such Ownership Interests in Licensee, or Licensee violates this Section 17., Licensor will have the rights under Section 18.1. Licensor has no obligation to license a lender or any Person acting on behalf of a lender, including a receiver or servicer of a loan, to use the Licensed Marks or the System, unless that obligation arises from a valid and binding written agreement between Licensor and a lender.

18. BREACH, DEFAULT, AND REMEDIES

18.1 Licensee Project-, Sales Facility-, and Member Service Center-Level Breaches, Defaults, and Remedies.

A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If execution is levied against any Project or Licensee in connection with such Project in connection with a final, non-appealable judgment for the payment of an amount in excess of $10,000,000 (as adjusted annually after the Effective Date by the GDP Deflator), or a suit to foreclose any lien, mortgage, or security interest (except for foreclosures with respect to consumer financing on Member interests in Ritz-Carlton Destination Club Units or Ritz-Carlton Residential Units and except for mechanics liens that are placed on such Project in the ordinary course of business) on such Project or any property necessary for the operation of such Project in accordance with Brand Standards, is initiated and not vacated within ninety (90) days, then Licensor may issue of notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to post a bond or provide other financial assurances reasonably acceptable to Licensor that such Project can continue to operate as part of the MVW Ritz-Carlton Business in accordance with this Agreement. If Licensee fails to obtain such bond or provide adequate financial assurances, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(ii) Except where the failure to meet the applicable thresholds for performance under the Quality Assurance Audit System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if Licensee fails to achieve the thresholds of performance established by the Quality Assurance Audit System for any Project and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Quality Assurance Audit System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to improve the performance of such Project in accordance with the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into an agreement with Licensor in a form reasonably agreed to by the parties based on Licensor's then-current Ritz-Carlton Hotel consensual termination agreement that provides for the orderly removal of such Project from the System ("System Removal Agreement") or, if such Project is controlled by a Non-Controlled Property Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, an agreement in a form reasonably agreed to by the parties that Licensee or its Affiliate, as applicable, will not renew such Non-Controlled Property Owners' Association management agreement ("Non-Renewal Agreement"). If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iii) Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Project is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Project as contemplated under Section 11.2.F, if the overall customer satisfaction score under the Customer Satisfaction System for any Project is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System, then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of

breach, the parties will agree to a Remediation Arrangement with respect to such failure under the Customer Satisfaction System. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to meet the cure requirements set forth in the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement with respect to such Project or, if such Project is controlled by a Non-Controlled Property Owners' Association whose management agreement will expire in twenty-four (24) months or less as of the date of the notice of default, a Non-Renewal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(iv) (a) If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards and Licensee fails to request that such Non-Controlled Property Owners' Association cure the failure or fails to Deflag such Project in accordance with Section 8.5, then Licensor may issue a notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to comply with such requirements of Section 8.5. If Licensee fails to comply with such requirements of Section 8.5, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(b) If Licensee requests that any Non-Controlled Property Owners' Association cure any failure to develop, operate, maintain, or renovate any Project in accordance with the Brand Standards, the System, and the terms of this Agreement in accordance with Section 8.5; the Non-Controlled Property Owners' Association does not cure such failure; and despite Licensee's commercially reasonable efforts, Licensee is unable to promptly Deflag such Project in accordance with Section 8.5, then Licensor and Licensee shall have thirty (30) days following notice from Licensor to enter into a System Removal Agreement or a Non-Renewal Agreement, as applicable. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(v) With respect to any Project that is controlled by Licensee or its Affiliate or any Controlled Property Owners' Association, if Licensee, its Affiliate, or such Controlled Property Owners' Association fails to develop, operate, maintain, or renovate such Project in compliance with this Agreement, the System, and the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vi) If Licensee fails to operate any Sales Facility or Member Service Center in compliance with this Agreement, the System, or the Brand Standards, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default with respect to such Sales Facility or Member Service Center. Licensee shall have thirty (30) days following notice of default to enter into an agreement with respect to (i) the change of management leadership of such Sales Facility (if such default relates to the operational aspects of such Sales Facility) or Member Service Center in a form agreed to by the parties, or (ii) the closure of such Sales Facility (if such default relates to the physical aspects of such Sales Facility) until such default is cured. If Licensee fails to execute such agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of such agreement), then Licensor may require Licensee to close such Sales Facility or Member Service Center and cease to operate such Sales Facility or Member Service Center as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(vii) Except as permitted under Sections 8.5 and 9.4, if any Project ceases to operate as a Project under the Licensed Marks or the System, then Licensor may issue a notice of breach with respect to such Project. Licensee shall have thirty (30) days following notice of breach to enter into a System Removal Agreement with respect to such Project. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(viii) (a) If a threat or danger to public health or safety occurs at any Project, that in the determination of Licensor, could be expected to result in substantial liability or an adverse effect on such Project, the System, the Proprietary Marks, or the goodwill associated therewith, then Licensee will notify Licensor of the threat or danger and Licensee will provide Licensor with a plan to address such threat or danger in a manner reasonably acceptable to Licensor, which plan may include proposed arrangements to accommodate guests and Members at alternative lodging facilities and may require the treatment of Members differently than transient guests. Depending on the severity of such threat or danger, Licensor may (i) suspend such Project from the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 until the breach is cured; or (ii) remove such Project from the System pending resolution of the threat or danger. However, if such Project is removed from the System under (ii) above, Licensee may request that Licensor reinstate the rights to operate such Project, and Licensor will thereafter reinstate such rights, if, within six (6) months after removal of such Project from the System, the threat or danger to public health or safety is eliminated and Licensor has determined that such reinstatement would not cause substantial liability or loss of goodwill;

(b) In the event any such threat or danger to public health or safety occurs and Licensee fails to notify Licensor thereof or provide the plan to address such threat or danger acceptable to Licensor in accordance with (a) above, then Licensor may issue a notice of default and terminate Licensee's rights to operate such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B; provided, however, that the reinstatement rights described in (a) above shall apply upon such termination;

B. Upon any default under Section 18.1.A(i) through (viii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates Licensee's rights to operate such Project, Sales Facility, or Member Service Center as part of the MVW Ritz-Carlton Business in accordance herewith, Licensor will have the right to seek and obtain damages as to such Project, Sales Facility, or Member Service Center with respect to which the rights to operate hereunder have been terminated;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 at such Project until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs for sales and marketing efforts with respect such Project or Sales Facility or utilize any other services to be provided by Licensor or its Affiliates hereunder with respect to such Project or Sales Facility until the breach is cured; and

(4) To suspend or limit Licensee's rights to develop new phases of such Project as determined by Licensor its sole discretion until the breach is cured.

18.2 Licensee Agreement-Level Defaults.

A. The Agreement-level breaches listed in (i) through (xii) below are deemed to be material breaches for which Licensee may be placed in default under this Agreement if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.2.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensee or its Affiliates fail to pay any amounts due under this Agreement to Licensor or any of its Affiliates when the same becomes due and payable, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B., and if the aggregate amount outstanding that Licensee has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensor may terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee;

(ii) If Licensee or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensor or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by Licensor and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, Licensor may issue a notice of default and terminate this Agreement immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.;

(iii) (a) If Licensee or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Marriott License Agreement, or under all such agreements taken together, then Licensor may issue a notice of breach to Licensee with respect to such failure. Licensee shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensee in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensee shall pay to Licensor the undisputed amount, if any, and Licensee shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensor or its Affiliates, then Licensee shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensee. If Licensee fails to cure the payment breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(b) If Licensor terminates the Marriott License Agreement in accordance with the terms thereof based on Licensee's default thereunder, Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(iv) If Licensee or any principal, director, officer, shareholder, or agent of Licensee, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensor Confidential Information in violation of this Agreement, including Sections 9.1, 9.3, 9.4, 13.2, 13.3, or 14.1.A, then:

(a) Licensor may issue a notice of breach to Licensee. In connection with such breach, Licensor may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.2.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensee has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensee's gross negligence, and (iii) such breach has resulted or may result in the goodwill associated with the Licensed Marks and System being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder and/or exercise any of the other remedies under Section 18.2.B.

(c) If Licensee violates Sections 9.1.D. or 9.3.B with respect to the use of Licensor Confidential Information, then Licensor may issue a notice of default to Licensee and exercise any of the remedies under Section 18.2.B.

(v) Except where the failure to achieve the minimum thresholds for performance under the Quality Assurance Audit System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F, if at any time twenty-five percent (25%) or more of the Projects are then failing to achieve the minimum thresholds of performance established by the Quality Assurance Audit System and such failure has not been cured within the applicable cure period under the Quality Assurance Audit System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vi) Except where the failure to meet the applicable Minimum Customer Satisfaction Score under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F, if at any time the average overall guest satisfaction score under the Customer Satisfaction System for all Projects is less than the Minimum Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(vii) Except where the failure to achieve the applicable Minimum Composite Customer Satisfaction Score target for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System at such Projects is as a result of Licensor's or its Affiliates' actions or inactions with respect to the provision of management services or shared services at such Projects as contemplated under Section 11.2.F, if at any time the weighted average overall composite customer satisfaction score for on-Project guest experience, Member service, and sales and marketing under the Customer Satisfaction System for all Projects is less than the Minimum Composite Customer Satisfaction Score target for the CSS Measurement Period as set forth in the Customer Satisfaction System and such failure has not been cured within the applicable cure period under the Customer Satisfaction System for such breach, then Licensor may issue a notice of breach to Licensee. If such breach has not been cured within one hundred eighty (180) days following such notice of breach, then Licensor may issue a notice of default to Licensee and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(viii) If Licensee or its Affiliates fail to comply with the Operational Brand Standards and such failure has, or is reasonably expected to have, a material adverse effect on Licensor or its Affiliates, then Licensor may issue a notice of breach with respect to such failure. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails

to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(ix) (a) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, is likely to have or has had a material adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Licensor's interests therein, then Licensor may issue a notice of breach and exercise any of the remedies under Section 18.2.B;

(b) If Licensee or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, has or may result in the goodwill associated with the Proprietary Marks and System being so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensor may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensee will undertake to remedy the breach to Licensor's satisfaction. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B;

(x) If a Transfer by Licensee or its Affiliates occurs in violation of Section 17, Licensor may issue a notice of breach. If Licensee fails to notify Licensor within fourteen (14) days following the notice of breach that Licensee intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensor within ninety (90) days following the notice of breach, then Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; provided, however, that nothing herein shall restrict or limit Licensor's ability to seek injunctive relief to stop such Transfer at any time;

(xi) If Licensee dissolves or liquidates except in connection with a Transfer permitted by Section 17., Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B; or

(xii) To the extent permitted by Applicable Law, if Licensee becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on Licensee's operation of the MVW Ritz-Carlton Business or Licensor or Licensor's Affiliates, Licensor may issue a notice of default and terminate this Agreement and all rights granted to Licensee hereunder immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.2.B.

B. Upon any default under Section 18.2.A(i) through (xii), Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.2.A(i) through (xii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensee acknowledges and agrees that, in the event that Licensor terminates this Agreement pursuant to a termination right expressly identified in Section 18.2.A, Licensor will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement. Licensee agrees that Licensor has devoted substantial resources to developing and building the MVW Ritz-Carlton Business (including the Existing Projects, Licensed Marks, and the System) and that the MVW Ritz-Carlton Business, including the significant reputation and goodwill associated therewith, has been developed by Licensor over a period of years prior to the Effective Date. Licensee further acknowledges and agrees that, in the event Licensor terminates this Agreement as a result of a material event of default hereunder by Licensee, it would be commercially impossible for Licensor to take measures to recreate the MVW Ritz-Carlton Business or develop an equivalent business, and, therefore it would be unreasonable to expect or require Licensor to mitigate its damages resulting from such default and termination;

(2) To suspend Licensee's right to use the Reservation System, except for booking of Member usage rights, in accordance with Section 10.2 of this Agreement at any or all Projects or the entire MVW Ritz-Carlton Business until the breach is cured;

(3) To suspend Licensee's right to access to and use of information included in the Brand Loyalty Programs and/or the MVW Ritz-Carlton Business Customer Information (except for Customer Information related to the Members) for sales and marketing efforts with respect to any or all Projects or the entire MVW Ritz-Carlton Business until the breach is cured;

(4) To suspend or limit Licensee's rights to develop any New Project as determined by Licensor its sole discretion until the breach is cured; and

(5) To prohibit any New Project from opening or operating under the Licensed Marks as part of the MVW Ritz-Carlton Business until the breach is cured.

18.3 Licensor Defaults.

A. The breaches listed in (i) through (viii) below are deemed to be material breaches for which Licensor may be placed in default under this Agreement if (x) Licensee gives Licensor notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensee in its sole discretion or required by Applicable Law) and (y) Licensor fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.3.A. If Licensor fails to cure the breach and is placed in default, then Licensee may exercise the applicable remedy for the specific default as set forth below:

(i) If Licensor or its Affiliates fail to pay any amounts due under this Agreement to Licensee or any of its Affiliates when the same becomes due and payable, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the

arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, Licensee may issue a notice of default to Licensor and exercise any of the remedies under Section 18.3.B, and if the aggregate amount outstanding that Licensor has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Licensee may terminate this Agreement immediately upon notice to Licensor;

(ii) If Licensor or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Licensee or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by Licensee and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(iii) (a) If Licensor or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Separation and Distribution Agreement, under the Tax Sharing and Indemnity Agreement, under the Employee Benefits Allocation Agreement, under the Marriott License Agreement, or under all such agreements taken together, then Licensee may issue a notice of breach to Licensor with respect to such failure. Licensor shall have ten (10) business days following notice of breach to cure the failure to pay. If Licensor in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Licensor shall pay to Licensee the undisputed amount, if any, and Licensor shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 22.4. Notwithstanding anything to the contrary in Section 22.4, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Licensee or its Affiliates, then Licensor shall not be required to pay the disputed amount and the escrowed funds shall be released to Licensor. If Licensor fails to cure the payment breach, then Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.;

(b) If Licensee terminates the Marriott License Agreement in accordance with the terms thereof based on Licensor's default thereunder, Licensee may issue a notice of default to Licensor and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

(iv) If Licensor or any principal, director, officer, shareholder, or agent of Licensor, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Licensee Confidential Information in violation of this Agreement, including Section 14.1.B., then:

(a) Licensee may issue a notice of breach to Licensor. In connection with such breach, Licensee may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 18.3.B.

(b) If an arbitration panel under Section 22.4 determines that (i) a material breach has occurred, (ii) (x) Licensor has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from Licensor's gross negligence, and (iii) such breach has resulted or may result in the goodwill associated with the MVW Ritz-Carlton Business being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of arbitration panel's determination Licensee may issue a notice of default to Licensor and terminate this Agreement and/or exercise any of the other remedies under Section 18.3.B.

(v) If a Transfer by Licensor occurs in violation of Section 17.2, Licensee may issue a notice of breach. If Licensor fails to notify Licensee within fourteen (14) days following the notice of breach that Licensor intends to unwind such Transfer or fails to actually unwind such Transfer in a manner satisfactory to Licensee within ninety (90) days following the notice of breach, then Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; provided, however, that nothing herein shall restrict or limit Licensee's ability to seek injunctive relief to stop such Transfer at any time;

(vi) If Licensor dissolves or liquidates, except in connection with a Transfer permitted by Section 17, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B;

(vii) To the extent permitted by Applicable Law, if Licensor becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on the MVW Ritz-Carlton Business or Licensee or Licensee's Affiliates, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B; and

(viii) (a) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction prevents Licensee from obtaining or retaining the licenses that it requires to continue operating the MVW Ritz-Carlton Business at any individual Project(s), then Licensee may issue a notice of breach and exercise any of the remedies under Section 18.3.B;

(b) If Licensor or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction is the actual and sole cause of Licensee being prevented from obtaining or retaining the licenses that it requires to continue operating the MVW Ritz-Carlton Business at all or substantially all of the Projects and the MVW Ritz-Carlton Business is so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Licensee may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Licensor will undertake to remedy the breach to Licensee's satisfaction. If Licensor fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Licensee may issue a notice of default and terminate this Agreement immediately upon notice to Licensor and/or exercise any of the other remedies under Section 18.3.B.

B. Upon any default under Section 18.3.A(i) through (viii), Licensee shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 18.3.A(i) through (viii):

(1) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Licensor acknowledges and agrees that, in the event that Licensee terminates this Agreement pursuant to a termination right expressly identified in Section 18.3.A, Licensee will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement; or

(2) To suspend provision of the services that Licensee is required to provide to Licensor under this Agreement until the breach is cured.

18.4 Other Breaches.

If Licensee or Licensor materially fail to fulfill any of the other material covenants, undertakings, obligations or conditions set forth in this Agreement, the Marriott License Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, except for where specific remedies are identified for breaches and defaults described in Section 18.1, 18.2 and 18.3, the non-defaulting party shall have the right to institute any and all proceedings permitted by Applicable Law or in equity with respect to such failure, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages; provided, however, that the non-defaulting party shall not have the right to terminate this Agreement with respect to such failure unless it is determined by an arbitration panel under Section 22.4 that (i) the non-defaulting party has been or will be damaged in an amount in excess of fifty million dollars ($50,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or (ii) the goodwill associated with the Licensed Marks and System (if Licensor is the non-defaulting party) or the MVW Ritz-Carlton Business (if Licensee is the non-defaulting party) has been or will be so materially damaged as a result of the conduct of the defaulting party that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, in which case the non-defaulting party shall have the right to terminate this Agreement upon the rendering of arbitration panel's determination. The parties acknowledge and agree that, in the event that the non-defaulting party terminates this Agreement pursuant to this Section 18.4, the non-defaulting party will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement.

18.5 Extraordinary Events.

A. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy any representation, warranty, covenant, undertaking, obligation, standard, test, or condition set forth in this Agreement with respect to one or more Projects, Sales Facilities, or Member Service Centers, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused with respect to the subject Projects, Sales Facilities, or Member Service Centers (but only as to the subject Projects, Sales Facilities, or Member Service Centers) for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

B. If either Licensee's or Licensor's failure to conform to, keep, perform, fulfill, or satisfy a material obligation set forth in this Agreement that affects all or substantially all of the services to be provided under this Agreement or that has a material adverse effect on the MVW Ritz-Carlton Business as a whole, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

19. POST-TERMINATION OBLIGATIONS; DE-IDENTIFICATION

19.1 Project De-Identification and Post-Termination Obligations.

A. Upon termination of Licensee's rights to operate one or more (but not all) of the Ritz-Carlton Destination Club Projects under the System, all rights to operate the subject Ritz-Carlton Destination Club Project under the System shall terminate, and the subject Ritz-Carlton Destination Club Project shall be Deflagged. In connection with the Deflagging:

(i) the Deflagged Destination Club Project may continue to be included in the inventory of the Licensed Non-Site Specific Destination Club Program as a usage option for Members, but must be clearly identified as a non-Ritz-Carlton product in all of Licensee's distribution channels. Licensee will notify all Members upon the Deflagging pursuant to a form of notice agreed to by the parties that the Deflagged Destination Club Project in no longer affiliated with the System and is no longer a Ritz-Carlton Destination Club Project.

(ii) Members who own interests in the Destination Club Units at the subject Deflagged Destination Club Project other than through a Non-Site Specific Destination Club Program, if any, will lose their right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program. Such Members may, however, continue to elect to enroll such interests in the Licensed Non-Site Specific Destination Club Program in exchange for usage rights in the Licensed Non-Site Specific Destination Club Program and trade such usage rights for points under the Brand Loyalty Program.

(iii) Members who own interests in Destination Club Units at the subject Deflagged Destination Club Project through a Licensed Non-Site Specific Destination Club Program may continue to trade usage rights in such interests for points under the Brand Loyalty Program.

(iv) Interests in Destination Club Units at the subject Deflagged Destination Club Project that are not part of a Licensed Non-Site Specific Destination Club Program shall no longer be sold under, or in association with, the Licensed Marks or any other aspect of the System, or made part of a Licensed Non-Site Specific Destination Club Program.

(v) Interests in Destination Club Units in phases of the Deflagged Destination Club Project that were already part of a Licensed Non-Site Specific Destination Club Program at the time of the Deflagging may, however, continue to be sold for use in the Licensed Non-Site Specific Destination Club Program, but interests in new phases of the Deflagged Destination Club Project shall not be made part of a Licensed Non-Site Specific Destination Club Program and shall not be sold as part of a Licensed Non-Site Specific Destination Club Program.

(vi) Inventory for transient rental at the Deflagged Destination Club Project will no longer be listed on ritzcarlton.com, and stays at the Deflagged Destination Club Project will not be deemed a "Ritz-Carlton" stay for purposes of the Brand Loyalty Program.

B. Upon termination of Licensee's rights to operate one or more (but not all) of the Projects under the System and except as otherwise provided in Section 19.1.A., all rights to operate the subject Project under the System will immediately terminate, including the rights to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements with respect to the subject Project, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the subject Project is or was in any way connected with the System and will fully comply with Section 13.2.A(4), other than as required Applicable Law.

(2) Licensor will not represent that the subject Project is or was in any way connected with the System, other than as required by Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the subject Project (except MVW Ritz-Carlton Business Customer Information relating to Members of the subject Project that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that the subject Project is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any subject Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after termination of Licensee's rights to operate the subject Project under the System (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Each party will promptly pay all amounts owing to the other party and any of its Affiliates related to the subject Project.

(5) Licensor at its expense will promptly perform such reasonable additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the subject Project.

C. Upon discontinuation of Licensee's rights to include a Non-Site Specific Destination Club Ownership Vehicle as part of a Licensed Non-Site Specific Destination Club Program pursuant to Section 5.2.F., all rights to operate the subject Non-Site Specific Destination Club Ownership Vehicle under the System shall terminate, and the subject Non-Site Specific Destination Club Ownership Vehicle shall be Deflagged. In connection with the Deflagging:

(i) Interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle shall no longer be sold under, or included in or associated with, the Licensed Marks or any other aspect of the System, or be included in a Licensed Non-Site Specific Destination Club Program.

(ii) Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle will no longer have any right to participate in the Licensed Non-Site Specific Destination Club Program, and will no longer be permitted to trade usage rights in such interests for points under the Brand Loyalty Program.

(iii) Upon the Deflagging, Licensee will notify all Members who own interests in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle pursuant to a form of notice agreed to by the parties that the Deflagged Non-Site Specific Destination Club Ownership Vehicle in no longer affiliated with the System and is no longer part of a Licensed Non-Site Specific Destination Club Program.

(iv) The subject Deflagged Non-Site Specific Destination Club Ownership Vehicle may continue to hold interests in Ritz-Carlton Destination Club Units that it holds at the time of Deflagging, however, Licensee shall not, without Licensor's prior consent in Licensor's sole discretion, add interests in Ritz-Carlton Destination Club Units to the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle subsequent to such Deflagging, unless such interests were committed to be included in the subject Deflagged Non-Site Specific Destination Club Ownership Vehicle prior to the time of Deflagging.

(v) Licensee may continue to include interests in the Deflagged Non-Site Specific Destination Club Ownership Vehicle as an external Exchange Program usage option for Members of the Ritz-Carlton Destination Club Business, provided that such Deflagged Non-Site Specific Destination Club Ownership Vehicle is clearly identified as a non-Ritz-Carlton product in all of Licensee's distribution channels.

19.2 Agreement De-Identification and Post-Termination Obligations.

Upon expiration or other termination of this Agreement, all rights granted under this Agreement to Licensee to operate the Projects under the System will immediately terminate, including the rights under this Agreement to use the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements, and the parties will comply with their respective obligations described below:

(1) Licensee will not represent that the Ritz-Carlton Destination Club Business, the Ritz-Carlton Whole Ownership Residential Business or any of the Projects are in any way connected with the System or hold itself out as a licensee or former licensee of Licensor or its Affiliates were formerly known by any corporate name or trade name containing the Licensed Marks, other than as required by Applicable Law.

(2) Licensor will not represent that any of the Projects are in any way connected with the System or hold itself out as a licensor or former licensor of Licensee, other than as required Applicable Law.

(3) Licensee at its expense will promptly remove any items using the Licensor Intellectual Property from or in connection with the Projects (except for the MVW Ritz-Carlton Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)) and perform such additional actions as set forth in any de-identification list Licensor provides to Licensee to ensure that Licensee is not connected with the System and is not using any Licensor Intellectual Property. Licensee agrees that Licensor or its designated agent may enter upon the premises of any Project at any time to make such changes at Licensee's sole risk and expense and without liability for trespass, if Licensee has not done so within ten (10) days after expiration or termination of this Agreement (provided, however, that such period shall be extended for a reasonable period with respect to any de-identification activities that cannot be completed within such period (e.g., removal of monument signage)).

(4) Licensor at its expense will promptly remove any items using the Licensee Intellectual Property from or in connection with any Licensor Lodging Facilities or any other businesses of Licensor and its Affiliates (except that Licensee shall be responsible for removing any Sales Facilities located at Licensor Lodging Facilities at Licensee's expense) and perform such additional actions as set forth in any de-identification list Licensee provides to Licensor to ensure that Licensor is not connected with the Projects or the Destination Club Business or Whole Ownership Residential Business of Licensee and its Affiliates and is not using any Licensee Intellectual Property.

(5) Licensee will immediately turn over to Licensor all copies of any Licensor Confidential Information, Licensor Intellectual Property, and all other System materials relating to the operation of the MVW Ritz-Carlton Business and the Projects (except for the MVW Ritz-Carlton Business Customer Information relating to Members of the Projects that Licensee is permitted to retain and use under Section 19.2(7)), all of which are acknowledged by Licensee to be Licensor's property. Licensee will not retain a copy or record of any of the foregoing, except for Licensee's copy of this Agreement, any correspondence between the parties, and any other documents that Licensee reasonably needs for compliance with any provisions of Applicable Law. If Licensor expressly permits Licensee to continue to use any Licensor Intellectual Property after the termination or expiration date, such use by Licensee will be in accordance with the terms of this Agreement.

(6) Licensor will immediately turn over to Licensee all copies of any Licensee Confidential Information, Licensee Intellectual Property, and all other materials relating to the operation of the Projects, all of which are acknowledged by Licensor to be Licensee's property. Licensor will not retain a copy or record of any of the foregoing, except for Licensor's copy of this Agreement, any correspondence between the parties, and any other documents that Licensor reasonably needs for compliance with any provisions of Applicable Law. If Licensee expressly permits Licensor to continue to use any Licensee Intellectual Property after the termination or expiration date, such use by Licensor will be in accordance with the terms of this Agreement.

(7) Licensee may retain MVW Ritz-Carlton Business Customer Information only for the purposes of servicing the Members of the Ritz-Carlton Destination Club Projects and the residents of the Ritz-Carlton Residential Projects in existence at the end of the Term. Licensee shall have the right to use the name, address, telephone number, e-mail address, and other contact information with respect to those Members in the same manner and form as Customer Information of other customers of the Destination Club Business or the Whole Ownership Residential Business generally is used. Licensee shall not use that portion of the MVW Ritz-Carlton Business Customer Information with respect to those Members that includes or relates to those Members' participation in the Brand Loyalty Program in any way, shape, or form to identify or otherwise to market to those Members Destination Club Products, Residential Units, or a Lodging Business of Licensee, its Affiliates, or any other third party. Licensee shall at all times comply with the confidentiality provisions of this Agreement with respect to such MVW Ritz-Carlton Business Customer Information.

(8) Each party will promptly pay all amounts owing to the other party and any of its Affiliates under this Agreement.

19.3 Survival.

The rights and obligations of the parties under this Section 19 will survive termination or expiration of this Agreement.

20. COMPLIANCE WITH LAWS; LEGAL ACTIONS

20.1 Compliance with Laws.

A. The parties will comply with all Applicable Laws in connection with the fulfillment of their respective obligations under this Agreement. Licensee will forward to Licensor within a reasonable period of time (not to exceed ten (10) business days) following Licensee's receipt copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity related to any Project or the MVW Ritz-Carlton Business that identify a material failure to meet or maintain governmental standards regarding health or life safety or any other material violation of Applicable Law that may materially and adversely affect the operation of any Project or adversely affect the MVW Ritz-Carlton Business or Licensee.

B. Each party will, if required by Applicable Law, timely file, register, or report this Agreement or the payments to be made hereunder, as applicable, to the appropriate governmental authorities having jurisdiction over any Project, the MVW Ritz-Carlton Business or this Agreement, and pay all costs and expenses related thereto.

20.2 Notice Regarding Legal Actions.

Licensee and Licensor will each notify the other (i) within a reasonable period of time (not to exceed ten (10) business days) after the applicable party has actual knowledge of the commencement of any material action, suit, or other proceeding that involves any Project or the MVW Ritz-Carlton Business that could have a material adverse effect on the Project or the MVW Ritz-Carlton Business or with respect to which the amount in controversy exceeds five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator); or Licensor's or Licensee's relationship with any Project, the MVW Ritz-Carlton Business or the System, and (ii) within a reasonable period of time (not to exceed ten (10) business days) after the issuance of any judgment, order, writ, injunction, award, or other decree of any court, agency, or other governmental instrumentality that may materially adversely affect the operation or financial condition of any Project, Licensor or Licensee. Nothing in this Section 20.2, however, will abrogate any notice requirement that Licensor or Licensee may have under any insurance program or contract.

20.3 Block Exemption.

Licensor and Licensee acknowledge and agree that the license is granted on the assumption that this Agreement complies, and will continue to comply, with the European Commission's Block Exemption Regulation for Vertical Agreements (EU No. 330/2010) (the "Regulation") and with Article 101 of the Treaty on the Functioning of the European Union ("Article 101") and with the official interpretative guidelines of 2010, and any successor to the Regulation and to the guidelines. If, at any time, questions arise concerning this Agreement's compliance with the Regulation, the parties agree to use their best efforts and to cooperate with each other to amend this Agreement either to bring it into conformity with the requirements of the Regulation or to seek an alternative way to comply with Article 101. If, in Licensor's sole judgment, this Agreement cannot be modified to comply with Article 101, including the Regulation, without undermining material elements of the license relationship, Licensor may, at its option, without liability for such action or any further obligation to Licensee, terminate the provisions of this Agreement and the license upon thirty (30) days' notice to Licensee as to the portions of the Agreement or Territory that violate the Regulation. To the extent that the post-termination obligations described in Section 19 of this Agreement would be applicable, Licensee and its Affiliates will comply with such obligations.

21. RELATIONSHIP OF PARTIES

21.1 Reasonable Business Judgment.

Unless Licensor has reserved "sole discretion," Licensor will use its reasonable business judgment when discharging its obligations or exercising its rights or discretion under this Agreement. Licensee agrees that Licensor, in the exercise of its reasonable business judgment, may act with the intention to benefit the System and Licensor's business as a whole, and not individual Licensor Lodging Facilities or other facilities, including the Projects. Licensee will have the burden of establishing that Licensor failed to exercise reasonable business judgment, and neither the fact that Licensor benefited

economically from an action nor the existence of other "reasonable" or "commercially reasonable" alternatives will, by themselves, imply such a failure. To the extent that any implied covenant, such as the implied covenant of good faith and fair dealing, or civil law duty of good faith is applied to this Agreement, Licensor and Licensee intend that Licensor will not have violated such covenant or duty if Licensor has exercised reasonable business judgment.

21.2 Independent Contractor.

A. This Agreement does not create a fiduciary relationship between Licensor and Licensee. Licensee and Licensor are independent contractors, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, manager, employee, or servant of the other for any purpose, except that Licensor may act on Licensee's behalf as Licensee's agent for purposes of booking reservations at any Project.

B. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty, or representation on the other party's behalf or to incur any debt or other obligation in the other party's name.

22. GOVERNING LAW; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; ARBITRATION; AND EXPERT RESOLUTION

22.1 Governing Law; Venue.

A. This Agreement is executed pursuant to, and will be interpreted and construed under the laws of New York, without regard to the conflict of laws provisions of such jurisdiction. Nothing in this Section 22.1 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state which would not otherwise apply absent this Section 22.1.

B. Each party hereby expressly and irrevocably submits itself to the non-exclusive jurisdiction of the courts of New York for the purpose of resolving any Dispute under Section 22.2. So far as is permitted under the laws of New York, this consent to personal jurisdiction will be self-operative.

22.2 Injunctive Relief.

A. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or Licensor Confidential Information. The rights conferred by this Section 22.2.A expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Licensee's failure to operate any portion of the MVW Ritz-Carlton Business in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

B. Licensee will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or

remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy or actual or threatened misuse or misappropriation of the Licensee Intellectual Property or Licensee Confidential Information.

22.3 Costs of Enforcement.

If for any reason it becomes necessary for either party to initiate any legal or equitable action to secure or protect its rights under this Agreement, the prevailing party will be entitled to recover all costs incurred by it in successfully enforcing such rights, including reasonable lawyers' fees.

22.4 Arbitration.

A. Except as otherwise specified in this Agreement, any Dispute or any other matter concerning any aspect of the relationship of the parties will be finally settled, by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, except as modified herein (the "AAA Rules"), conducted in Washington, DC.

B. There will be three (3) arbitrators. If there are only two (2) parties to the arbitration, each of Licensor and Licensee will appoint one (1) arbitrator within twenty (20) days after receipt by respondent of a copy of the demand for arbitration. For purposes of this Section 22.4, Licensor and its Affiliates, on one hand, and Licensee and its Affiliates, on the other hand, will each be deemed to be one (1) party. The two (2) party-appointed arbitrators will have twenty (20) days from the appointment of the second (2nd) arbitrator to agree on a third (3rd) arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 22.4.B. will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause.

C. Any Dispute to be settled by arbitration under this Section 22.4 will at the request of Licensor or Licensee be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to this Agreement or any other agreement (including any other Transaction Agreements) between or among Licensee, Guarantor and their respective Affiliates on the one hand and Licensor or its Affiliates on the other. If there are multiple claimants and/or multiple respondents to the effect that there are more than two (2) parties to the arbitration, all claimants and/or all respondents will attempt to agree upon their respective appointments. If such multiple parties fail to nominate an arbitrator within thirty (30) days, the AAA will appoint an arbitrator on their behalf. In such circumstances, any existing nomination of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrators will be appointed in accordance with AAA Rules R. 12 and R. 13.

D. Any controversy concerning whether a Dispute is an arbitrable Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 22.4 will be determined by the arbitrators.

E. The decision of the arbitral tribunal will be final and binding upon the parties, and such decision will be enforceable through any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Agreement. The arbitral tribunal may award or include in their award any relief they deem proper in the circumstances, including money damages (with Interest on unpaid amounts from the date due), specific performance and legal fees and costs in accordance with this Agreement; however, the arbitral tribunal may not award special, punitive, consequential or exemplary damages. The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal. The arbitral tribunal will have the authority to make such orders granting interim or provisional relief during the pendency of the arbitration as it deems just and equitable. Any such order will be without prejudice to the final determination of the controversy.

F. The parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Dispute as promptly as practicable. Subject to Applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by Applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

G. Any arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Licensor is a party, except as specified below. No decision on any matter in any other arbitration proceeding in which Licensor is a party will prevent any party to the arbitration proceeding from submitting evidence with respect to the same or a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

H. Each party may, without waiving any rights it has under this Agreement, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property.

I. The provisions of this Section 22.4 will survive the expiration or termination of this Agreement.

22.5. Expert Resolution.

Where this Agreement calls for a matter to be referred to Expert(s) for determination, the following provisions shall apply.

A. The use of Expert(s) shall be the exclusive remedy of the parties and neither party shall attempt to adjudicate any dispute in any other forum. The decision of Expert(s) shall be final and binding on the parties and shall not be capable of challenge, whether by arbitration, in court or otherwise. In the event there is more than one (1) Expert, then the decision of Experts shall be determined by a majority vote. Recognition and enforcement of any decision or award rendered by the Expert(s) may be sought in any court of competent jurisdiction.

B. If either party calls for a determination by Expert(s) in accordance with the terms of this Agreement, the parties shall have ten (10) days from the date of such request to agree upon and appoint an Expert and, if they fail to agree, each party shall have an additional ten (10) days to make its respective selection of an Expert, and within ten (10) days of such respective selections, the two (2) respective Experts so selected shall select a third (3rd) Expert. If either party fails to make its respective selection of an Expert within the specified period, then the other party's selection shall be the Expert. If the two (2) respective Experts selected by the parties fail to select a third (3rd) Expert, then the third Expert shall be appointed by the American Arbitration Association. Any dispute to be determined by the Expert pursuant to this Section shall, at the request of either party, be resolved in a single Expert proceeding before the same Expert(s) together with any dispute to be determined by an Expert arising out of or relating to this Agreement.

C. Each party shall be entitled to make written submissions to the Expert(s), and if a party makes any submission, it shall also provide a copy to the other party(ies) and the other party(ies) shall have the right to comment on such submission within the time periods established pursuant to Section 22.5.E. During the period beginning with the appointment of an Expert or the appointment of three (3) Experts pursuant to Section 22.5.B and continuing until an Expert determination is rendered, neither party shall communicate with any of the Experts regarding the subject matter submitted for determination without disclosing the content of any such communication to the other party. The parties shall make available to the Expert(s) such books and records relating to the issue in dispute and shall render to the Expert(s) any assistance requested of the parties. The costs of the Expert(s) and the proceedings shall be borne as directed by the Expert(s) unless otherwise provided for herein.

D. The Expert(s) shall decide the matter referred for determination by applying the terms, conditions and standards set forth in this Agreement regarding such matter.

E. The terms of engagement of the Expert(s) shall include an obligation on the part of the Expert(s) to: (i) notify the parties in writing of the decision within thirty (30) business days (ninety (90) days for matters referred to Expert determination under Section 2.5.C) from the date on which the Expert (or last Expert, if there are three (3)) has been selected (or such other period as the parties may agree or as set forth herein); and (ii) establish a timetable for the making of submissions and replies.

22.6 Waiver of Jury Trial and Punitive Damages.

Each party hereby absolutely, irrevocably and unconditionally waives trial by jury and the right to claim or receive special, consequential, punitive or exemplary damages arising out of, pertaining to or in any way associated with the covenants, undertakings, representations or warranties set forth in this Agreement, the relationships of the parties hereto, this Agreement or any other Transaction Agreement.

23. NOTICES.

23.1 Notices.

A. Subject to Section 23.1.B, all notices, requests, demands, statements, and other communications required or permitted to be given under the terms of this Agreement will be in writing, in the English language, and delivered by hand against receipt or carried by reputable overnight/international courier service, to the respective party at the following addresses:

To Licensor:

The Ritz-Carlton Hotel Company, L.L.C.
4445 Willard Avenue, Suite 800
Chevy Chase, MD 20815
United States of America
Attn: President and Chief Operations Officer
Telephone: (1) (301) 547-4822

With a copies to:

The Ritz-Carlton Hotel Company, L.L.C.
4445 Willard Avenue, Suite 800
Chevy Chase, MD 20815
United States of America
Attn: Deputy General Counsel and Corporate Secretary
Telephone: (1) (301) 547-4879

and

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
United States of America
Attn: General Counsel
Telephone: (1) (301) 380-8326

To Licensee:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: President and Chief Executive Officer
Telephone: (1) (407) 206-6000

With a copy to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
United States of America
Attn: General Counsel
Telephone: (1) 407-206-6000

or at such other address as designated by notice from the respective party to the other party. Any such notice or communication will be deemed to have been given at the date and time of: (i) receipt or first refusal of delivery if delivered by hand; or (ii) two days after the posting thereof if sent via reputable overnight/international courier service.

B. Each party may provide the other party with routine information, invoices, Brand Standards and other System requirements and programs, such as the Quality Assurance Program, including any modifications thereto, by regular mail or by e-mail, facsimile, or by making such information available to the other party on the Internet, an extranet, or other electronic means.

24. CONSTRUCTION AND SEVERABILITY; APPROVALS, CONSENTS AND WAIVERS; ENTIRE AGREEMENT

24.1 Construction and Severability.

A. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement, including Section 16.1, will be considered severable; and if, for any reason any section, part, term, or provision is determined to be invalid, unenforceable or contrary to, or in conflict with, any existing or future Applicable Law or by an arbitral tribunal, a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other sections, parts, terms, and provisions of this Agreement as may remain otherwise intelligible, and

the latter will continue to be given full force and effect and bind Licensor and Licensee. To the extent possible, such invalid or unenforceable sections, parts, terms, or provisions will be deemed to be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

B. No right or remedy conferred upon or reserved to Licensor or Licensee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

C. When this Agreement provides that either party may take or refrain from taking any action or exercise discretion, such as rights of approval or consent, or to modify any part of the Brand Standards or System, or to make other determinations or modifications under this Agreement, such party may do so from time to time.

D. Unless otherwise stated, references to Sections are to Sections of this Agreement.

E. Unless otherwise stated, references to Exhibits, Attachments or Addenda are to Exhibits, Attachments and Addenda to this Agreement, and all of such are incorporated by reference into this Agreement.

F. Words importing the singular include the plural and vice versa as the context may imply. Words importing a gender include each gender as the context may imply.

G. Unless otherwise stated, references to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

H. The words “include,” “included” and “including” will be terms of enlargement or example (meaning that, for instance, “including” will be read as “including but not limited to”) and will not imply any restriction or limitation unless the context clearly requires otherwise.

I. Captions and section headings are used for convenience only. They are not part of this Agreement and will not be used in construing it.

J. The Recitals are incorporated in and made part of this Agreement.

24.2 Approvals, Consents and Waivers.

Except as otherwise provided in this Agreement, approvals, designations, and consents required under this Agreement will not be effective unless evidenced by a writing signed by the duly authorized officer or agent of the party giving such approval or consent. No waiver, delay, omission, or forbearance on the part of Licensor or Licensee to exercise any right, option or power arising from any default or breach by the other party, or to insist upon strict compliance by the other party with any obligation or condition hereunder, will affect or impair the rights of Licensor or Licensee, respectively, with respect to any such default or breach or subsequent default or breach of the same or of a different kind. Any delay or omission of either party to exercise any right arising from any such default or breach will not affect or impair such party’s rights with respect to such default or breach or any future default or breach. No party will be liable to the other party for providing (or denying) any waiver, approval, consent, or suggestion to the other party in connection with this Agreement or by reason of any delay or denial of any request.

24.3 Entire Agreement.

As of the date of this Agreement, this Agreement, including all exhibits, attachments, and addenda, and the Transaction Agreements contain the entire agreement between the parties as it relates to the MVW Ritz-Carlton Business and the Projects. This is a fully integrated agreement.

24.4 Amendments.

No agreement of any kind relating to the matters covered by this Agreement will be binding upon either party unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties. This Agreement may only be amended in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties and may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Agreement by conduct manifesting assent or by electronic signature is not authorized to do so.

25. REPRESENTATIONS, WARRANTIES AND COVENANTS

25.1 Existence and Power; Authorization; Contravention.

A. Each party represents, warrants and covenants that: (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; (ii) it and its Affiliates have and will continue to have the ability to perform its obligations under this Agreement; and (iii) it has and will continue to have all necessary power and authority to execute and deliver this Agreement.

B. Each party represents, warrants and covenants that the execution and delivery of this Agreement and the performance by such party of its obligations hereunder: (i) have been duly authorized by all necessary action; (ii) do not require the consent, vote, or approval of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any Applicable Law; or (c) any agreement, indenture, contract, commitment, restriction or other instrument to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound.

C. Each party represents and warrants that all information provided in connection with this Agreement, are true, correct and complete as of the time made and as of the Effective Date, regardless of whether such representations and warranties were provided by such party, one of its Affiliates, or by a third party on behalf of such party, unless such party has notified the other party of a change in the representations and warranties or the information and such other party has approved the change.

25.2 Acknowledgements and Representations Regarding Territorial Restrictions in Existing Contracts.

The parties acknowledge that each party may, as of the Effective Date, be parties to agreements with third parties that contain territorial restrictions, including the Permitted Territorial Restrictions, that would be a breach of this Agreement if either party had agreed to such territorial restrictions without the consent of the other party during the Term. The parties represent and agree that those existing territorial restrictions shall, in no event, be deemed a breach hereof, and that each party will be bound by such territorial restrictions to the extent that such territorial restrictions are applicable to them.

26. MISCELLANEOUS

26.1 Translations.

The English language version of all written materials, including this Agreement, the Brand Standards, the Software, any other documents, forms, agreements, manuals, and advertising materials provided to either party under this Agreement will be the version used for determining the intent of the parties. Either party may translate any such materials into any other language. All translations will be at the sole cost and expense of the translating party. Ownership of any translated materials shall vest in the party who owned the materials from which the translation was made, and all copyrights in any such translated materials will be assigned by translating party to the owning party or its designated Affiliate upon the owning party's request. The translating party will obtain any necessary agreement with any translator that such translation will be the sole property of the owning party or its Affiliates.

26.2 Multiple Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes and all of which will constitute, collectively, one agreement. Delivery of an executed signature page to this Agreement by electronic transmission will be effective as delivery of a manually signed counterpart of this Agreement.

26.3 Failure to Close the Spin-Off Transaction.

Notwithstanding anything to the contrary in this Agreement, if the Spin-Off Transaction fails to close on or before March 31, 2012, either party may terminate this Agreement immediately upon notice to the other party and neither party will have any liability to the other in connection with such termination.

27. RCHC MANAGED PROJECTS

27.1 Provisions of this Agreement That Do Not Apply to RCHC Managed Projects.

The parties acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, the following provisions do not apply to the RCHC Managed Projects (but continue to apply to other Projects) since no license is being granted to Licensee with respect to the on-site operation of the RCHC Managed Projects under the Licensed Marks or System and that, to the extent these matters are covered in the applicable RCHC Management Agreement, the applicable provisions of such RCHC Management Agreement will govern such matters:

(i) Section 3.4(ii) regarding Licensee's obligation to pay Travel Expenses for Licensor's or its Affiliates' representatives visiting the Projects for re-inspection following any failed inspection conducted under the Quality Assurance System.

(ii) Section 5.1.B. regarding operational sublicenses for Existing Projects;

(iii) Section 5.2.D. regarding development and operational sublicenses for New Projects;

(iv) Section 5.2.E. regarding regulatory compliance with respect to sublicenses for Existing Projects and New Projects;

(v) Section 5.8.A. regarding delegation of recreational functions at Projects;

(vi) Section 12. regarding repairs and maintenance;

(vii) Section 16.1.A(xvi) regarding Licensee's indemnification of Licensor for failure to operate the Projects in compliance with the terms, conditions, restrictions, and prohibitions in this Agreement; and

(viii) Sections 18.1.A(i), (ii), (iii), (vii), and (viii), regarding Project-level breaches, defaults, and remedies.

27.2 Provisions of this Agreement That Are Modified With Respect to the RCHC Managed Projects.

The parties acknowledge and agree that the following provisions are hereby modified solely for the purposes of their application to the RCHC Managed Projects (but not with respect to other Projects) since no license is being granted to Licensee with respect to the on-site operation of the RCHC Managed Projects under the Licensed Marks or System, and these modified provisions will control with respect RCHC Managed Projects. The modified provisions set forth below are substantially similar to the corresponding provisions set forth in Sections 1. through 26. and in Exhibit A, except that (a) references to operation of the RCHC Managed Projects or Project-level operational functions have been deleted; (b) the concepts that Licensee is not being granted any license with respect to on-site operation of the RCHC Managed Projects and that the RCHC Managed Projects are operated under RCHC Management Agreements have been incorporated; and (c) certain internal section references have been modified.

(i) The parties acknowledge that certain of the fees and charges contemplated Sections 3.2, 3.3. and 3.4. and Section 11 may be paid under the RCHC Management Agreement. To the extent that such fees and charges are not paid under the RCHC Management Agreement, they will be paid under this Agreement pursuant to the terms hereof.

(ii) Sections 3.8.B. and C. shall be modified as follows:

> "B. Licensee and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensee and its Affiliates by any Tax authority relating to the Projects and the MVW Ritz-Carlton Business, Licensee, its Affiliates, this Agreement, the Payment Obligations, or in connection with the operation of the MVW Ritz-Carlton Business.
>
> C. Subject to Section 3.8.D., Licensor and its Affiliates must promptly pay when due all Taxes levied or assessed against Licensor and its Affiliates by any Tax authority relating to the Projects and the MVW Ritz-Carlton Business, Licensor, its Affiliates, this Agreement, the Payment Obligations, or in connection with the operation of the MVW Ritz-Carlton Business."

(iii) Section 4.2.A(ii) shall be modified as follows:

"(ii) For a "tail period" of thirty (30) years following the end of the Initial Term (if Licensee does not exercise its right to obtain an Extension Term), the first Extension Term (if Licensee does not exercise its right to obtain a second Extension Term), or the second Extension Term, as applicable (but not following any termination of this Agreement under Section 18), Licensee shall be entitled (but not required) to continue to operate the MVW Ritz-Carlton Business (including with respect to any New Projects under development as contemplated in (y) below) in the Territory (provided, however, Licensee shall have no right (subject to Section 13.1.E.) to use the Licensed Marks or the System in the Excluded Area and shall not have the right to any indemnity under Section 16.1.B. with respect to third-party claims resulting from Licensee's or its Affiliates' use of the Licensed Marks or the System in the Excluded Area, and any third-party claim related to the use of the Licensed Marks or the System in the Excluded Area shall be subject to indemnification by Licensee pursuant to Section 16.1.A.), provided that such operation is in compliance with the terms and conditions of this Agreement. The parties agree that (x) the exclusivity granted in Section 1.A. and the restrictions and limitations on Licensor and its Affiliates in Section 2.2 shall immediately cease and be of no further force or effect as of the first day of the tail period and (y) Licensee shall have no right to propose New Projects during the tail period (but will have the right to continue and complete the development of any New Projects that have been approved by Licensor pursuant to this Agreement prior to the commencement of the tail period). All other applicable terms and conditions of this Agreement, including, without limitation, the requirement to pay the Royalty Fees and other amounts under Sections 3 and 11, shall remain in place and be applicable during the tail period."

(iv) Section 5.1.A. shall be modified as follows:

"A. The Existing Projects are listed on Exhibit B to this Agreement. The Existing Projects will continue to be operated under the System and Brand Standards in accordance with the terms and conditions of the applicable RCHC Management Agreement. Each Existing Project may operate only under the applicable Project name set forth in Exhibit B, which Project name may be changed only in accordance with the naming protocol set forth in the Brand Standards."

(v) The first sentence of Section 5.2.G. shall be modified as follows:

"All New Projects that are added to Licensed Non-Site Specific Destination Club Programs must initially be operated under the Licensed Marks in accordance with the System and the applicable RCHC Management Agreement, it being acknowledged that such New Projects are subject to being Deflagged in accordance with the terms of this Agreement and the applicable RCHC Management Agreement."

(vi) Section 7.1.A. shall be modified as follows:

"A. Licensee shall comply with the Brand Standards in all matters with respect to the operation of the MVW Ritz-Carlton Business, including, without limitation, the following to the extent each relates to the MVW Ritz-Carlton Business: the use of the Licensed Marks; the provision of Member services; employee training; the development, construction, and equipping of all Ritz-Carlton Destination Club Projects and Ritz-Carlton Residential Projects; and all sales and marketing activities."

(vii) Section 8.1 shall be modified as follows:

"8.1 Operating the MVW Ritz-Carlton Business.

Licensee will operate the MVW Ritz-Carlton Business in compliance with this Agreement, the System, and the Brand Standards, subject to Applicable Law, and Licensee will:

(1) permit the duly authorized representatives of Licensor to enter facilities utilized by Licensee in the MVW Ritz-Carlton Business (including the Sales Facilities) and inspect such facilities at all reasonable times to confirm that Licensee is complying with the terms of this Agreement, the System, and the Brand Standards. Licensor has no duty or obligation to conduct ongoing inspections of the facilities utilized by Licensee in the MVW Ritz-Carlton Business;

(2) with respect to transient rentals for overnight accommodation at Projects offered or made through the Reservation System, participate in travel agent programs, Brand Loyalty Programs, and any complaint resolution programs as Licensor may establish in its discretion, all to the extent applicable to the MVW Ritz-Carlton Business."

(viii) Section 8.2 shall be modified as follows:

"8.2 Employees.

Licensee will employ suitably qualified individuals sufficient to staff all positions with respect to the MVW Ritz-Carlton Business. Licensee will use its best efforts to ensure that Licensee's employees at all times comply with the Brand Standards."

(ix) Section 8.3.C. shall be modified as follows:

"C. Subject to Sections 8.3.A. and B. and any limitations in the RHL Agreement, Licensor acknowledges that (i) certain functions of Projects may be delegated or subcontracted to third-parties in accordance with Section 5.8 and (ii) certain aspects of certain Projects may be subject to shared service and integrated facility arrangements with co-located lodging properties and other facilities."

(x) Section 8.4.B. shall be modified as follows:

"B. Licensee has provided to Licensor, and Licensor has reviewed and consented to, the form of Quality Assurance Audit System. Licensee shall administer the Quality Assurance Audit System, using Licensee's Quality Assurance System as of the Effective Date, as it may be subsequently modified in accordance with Sections 7.2.B, C, D or F. Licensor shall conduct audits of each Project under the Quality Assurance Audit System no less than annually, unless Licensee consents to a longer period in writing. Licensee shall pay all costs for such Quality Assurance Audit System."

(xi) Section 8.5 shall be modified as follows:

"8.5 Projects Controlled by Non-Controlled Property Owners' Association.

If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop the Project in compliance with this Agreement, the System, or the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), Licensee shall promptly request that the Non-Controlled Property Owners' Association cure the failure (i) for Existing Projects, within the applicable cure periods set forth in the agreements governing such Existing Project (or any longer period required by Applicable Law) or (ii) for New Projects, within the shorter of (x) the applicable cure periods set forth in Section 18 or (y) the applicable cure periods set forth in the agreements governing such New Project (or any longer period required by Applicable Law), after notice of the failure, provided, that if the failure is not susceptible of being cured within the applicable period, Licensee shall have the right to extend such period for such additional period as is reasonable under the circumstances if cure is being diligently pursued, and, in no event, will such additional period be more than three hundred sixty five (365) days. If the Non-Controlled Property Owners' Association does not cure such failure within the applicable cure period, Licensee shall promptly issue default notices to the Non-Controlled Property Owners' Association and promptly take such actions as are required to Deflag the Project

in accordance with the agreements governing such Project or as otherwise required by Applicable Law. If the Non-Controlled Property Owners' Association cures such failure prior to Deflagging in accordance with any cure rights provided in the agreements governing such Project or Applicable Law, Licensee will have the right to cease Deflagging the Project and maintain the Project as part of the MVW Ritz-Carlton Business."

(xii) Section 9.4 shall be modified as follows:

"9.4 Destination Club Businesses and Whole Ownership Residential Businesses Operating Under Other Brands.

"Subject to Sections 9.3 and 13.2.A(4), Licensee may engage in a Destination Club Business and a Whole Ownership Residential Business under or in connection with brands other than the Licensed Marks, provided that no Existing Projects may be operated except under the Licensed Marks unless: (i) such Existing Project is removed from the System by Licensee in good faith for failure of a Non-Controlled Property Owners' Association to comply with the management agreement (whether by failure to provide adequate funds to maintain the Brand Standards or otherwise), or if Licensee makes a commercially reasonable determination (and Licensor agrees with such determination) that such project no longer adequately represents the then-current Ritz-Carlton Destination Club Project or Ritz-Carlton Residential Project, as applicable, brand positioning; (ii) a Non-Controlled Property Owners' Association terminates its management agreement with Licensee or its Affiliate or refuses to renew the management agreement on the then-current terms and conditions; or (iii) Licensor terminates the right for such Existing Project to be operated in accordance with this Agreement. A Project is removed from the System for purposes of this Section 9.4 when no customer-facing sales assets or facilities that contain or display any of the Licensor Intellectual Property are used by Licensee at or for such Project (including phone numbers, websites, domain names, screen names, social networking names, email addresses, and customer information) and no Branded Elements or Licensor Intellectual Property (including any corporate name containing the word "Ritz-Carlton") are used to promote, market or sell any other product or service at or for the Project. Licensee's failure to comply with subsections 9.4(i) through (iii) shall be a default under this Agreement and will result in Licensee failing to have met the conditions precedent to converting the Project to another brand."

(xiii) Section 16.1.A(vii) shall be modified as follows:

"(vii) the development, sales, and marketing activities occurring on or after the date of the Spin-Off Transaction and the operation or servicing of any business conducted by Licensee or its Affiliates related to or in connection with the MVW Ritz-Carlton Business;"

(xiv) Section 16.1.A(xi) shall be modified as follows:

"(xi) failure to pay Taxes payable by, levied or assessed against Licensee, its Affiliates, or any Property Owners' Association by any Tax authority relating to the MVW Ritz-Carlton Business, the Projects, this Agreement, any other Transaction Agreements or in connection with operating the MVW Ritz-Carlton Business;"

(xv) Section 16.1.A(xv) shall be modified as follows:

"(xv) any claim arising from the operation, ownership or use of the MVW Ritz-Carlton Business;"

(xvi) The first paragraph of Section 18.1.A. shall be modified as follows:

"A. The Project-, Sales Facility-, and Member Service Center-level breaches listed in (i) through (iii) below are deemed to be material breaches for which Licensee may be placed in default with respect to any Project, Sales Facility, or Member Service Center, as applicable, hereunder if (x) Licensor gives Licensee notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Licensor in its sole discretion or required by Applicable Law) and (y) Licensee fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 18.1.A. If Licensee fails to cure the breach and is placed in default, then Licensor may exercise the applicable remedy for the specific default as set forth below:"

(xvii) Sections 18.1.A(iv), (v), and (vi) shall be re-lettered as Sections 18.1.A(i), (ii), and (iii), and Sections 18.1.A(i) and (ii) shall be modified as follows:

"(i) (a) If any Project that is controlled by a Non-Controlled Property Owners' Association fails to develop such Project in compliance with this Agreement, the System, and the Brand Standards and Licensee fails to request that such Non-Controlled Property Owners' Association cure the failure or fails to Deflag such Project in accordance with Section 8.5, then Licensor may issue a notice of breach to Licensee with respect to such Project. Licensee shall have thirty (30) days following notice of breach to comply with such requirements of Section 8.5. If Licensee fails to comply with such requirements of Section 8.5, then Licensor may issue a notice of default and terminate Licensee's rights to develop such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(b) If Licensee requests that any Non-Controlled Property Owners' Association cure any failure to develop any Project in accordance with the Brand Standards, the System, and the terms of this Agreement in accordance with Section 8.5; the Non-Controlled Property Owners' Association does not cure such failure; and despite Licensee's commercially reasonable efforts, Licensee is unable to promptly Deflag such Project in accordance with Section 8.5, then Licensor and Licensee shall have thirty (30) days following notice from Licensor to enter into a System Removal Agreement or a Non-Renewal Agreement, as applicable. If Licensee fails to execute the System Removal Agreement or Non-Renewal Agreement, as applicable, within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the applicable agreement), then Licensor may issue a notice of default and terminate Licensee's rights to develop such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;

(ii) With respect to any Project that is controlled by Licensee or its Affiliate or any Controlled Property Owners' Association, if Licensee, its Affiliate, or such Controlled Property Owners' Association fails to develop such Project in compliance with this Agreement, the System, and the Brand Standards (whether by failure to provide adequate funds to comply therewith or otherwise), then Licensor may issue a notice of breach to Licensee with respect to such Project. Upon such notice of breach, the parties will agree to a Remediation Arrangement with respect to such failure. If Licensee fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, then Licensor may issue a notice of default with respect to such Project. Licensee shall have thirty (30) days following the notice of default to enter into a System Removal Agreement. If Licensee fails to execute the System Removal Agreement within such thirty (30) day period for any reason (including if Licensor and Licensee cannot agree on the terms of the System Removal Agreement), then Licensor may terminate Licensee's rights to develop such Project as part of the MVW Ritz-Carlton Business immediately upon notice to Licensee and/or exercise any of the other remedies under Section 18.1.B;"

(xviii) The first paragraph of Section 18.1.B. shall be modified as follows:

"B. Upon any default under Section 18.1.A(i) through (iii) with respect to any Project, Sales Facility, or Member Service Center, Licensor shall have the right to pursue any one or more of the following remedies in addition to the remedies with respect to such Project, Sales Facility, or Member Service Center provided for in Sections 18.1.A(i) through (iii):"

(xix) The first paragraph of Section 19.1.A. shall be modified as follows:

"A. In connection with the Deflagging of one or more (but not all) of the Ritz-Carlton Destination Club Projects:"

(xx) The first paragraph of Section 19.1.B. shall be modified as follows:

"A. In connection with the Deflagging of one or more (but not all) of the Projects and except as otherwise provided in Section 19.1.A:"

(xxi) The first paragraph of Section 19.2. shall be modified as follows:

"Upon expiration or other termination of this Agreement, all rights granted under this Agreement to Licensee with respect to the operation of the Projects under the System will immediately terminate, including the rights under this Agreement with respect to the use of the Electronic Systems, the Licensed Marks, the Licensor Intellectual Property, and the Branded Elements, and the parties will comply with their respective obligations described below:"

(xxii) Notwithstanding anything to the contrary therein, the following definitions from Exhibit A shall be supplemented as follows:

(a) For purposes of the use of the terms "Destination Club Business" and "Whole Ownership Residential Business" in Section 1.A., the definition of "Destination Club Business" shall not include the on-site operation of Destination Club Projects, the amenities of Destination Club Projects (e.g., country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Destination Club Projects, Destination Club Products, or Destination Club Units, and the definition of "Whole Ownership Residential Business" shall not include the on-site operation of Residential Projects, the amenities of Residential Projects (e.g., country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Residential Projects, or Residential Units.

(b) The definition of "New Projects" shall not include the on-site operation of Ritz-Carlton Destination Club Projects or Ritz-Carlton Residential Projects.

(c) The definition of "Ritz-Carlton Destination Club Business" shall not include the on-site operation of Ritz-Carlton Destination Club Projects, Ritz-Carlton Destination Club Products, or Ritz-Carlton Destination Club Units.

(d) The definitions of “Ritz-Carlton Destination Club Products”, “Ritz-Carlton Destination Club Projects”, and “Ritz-Carlton Destination Club Units” will not be construed as granting Licensee or its Affiliates any rights with respect to on-site operation of Ritz-Carlton Products, Ritz-Carlton Destination Club Projects, or Ritz-Carlton Destination Club Units.

(e) The definition of “Ritz-Carlton Whole Ownership Residential Business” shall not include the on-site operation of Ritz-Carlton Residential Projects or Ritz-Carlton Residential Units.

(f) The definitions of “Ritz-Carlton Residential Projects” and “Ritz-Carlton Residential Units” will not be construed as granting Licensee or its Affiliates any rights with respect to on-site operation of Ritz-Carlton Residential Projects or Ritz-Carlton Residential Units.

27.3 Provisions of this Agreement Applicable to Non-RCHC Managed Projects and RCHC Managed Projects.

A. The provisions of this Agreement except for Sections 27.1 and 27.2, including all Exhibits hereto, shall apply to the Non-RCHC Managed Projects as written and without reference to Sections 27.1 or 27.2.

B. All provisions of this Agreement not deleted or modified with respect to the RCHC Managed Projects under Section 27.1 and 27.2 shall apply to the RCHC Managed Projects as written and without reference to Sections 27.1 or 27.2.

28. GUARANTY.

28.1 Guaranty.

Each Guarantor unconditionally and irrevocably guaranties to Licensor that if Licensee fails for any reason to perform when due any of its respective obligations to Licensor under this Agreement, the Electronic Systems License Agreement, and the Design Review Addendum (the “Obligations”) within the time specified therein, it will without any demand or notice whatsoever promptly pay or perform such Obligations (the “Guaranty”). The Guarantors acknowledge that the Guaranty is a continuing guaranty and may not be revoked and shall not otherwise terminate unless this (i) Agreement has terminated or expired in accordance with Sections 4. or 18 and (ii) all amounts owing to Licensor by Licensee and the Guarantors pursuant to the Obligations have been paid in full. The liability of each Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of Licensee or any other Guarantor and a separate action or actions may be brought and prosecuted against any Guarantor, whether or not any action is brought or prosecuted against Licensee or any other Guarantor or whether Licensee or any other Guarantor is joined in any such action or actions. The Guaranty shall be construed as a continuing, absolute and unconditional guaranty both of performance and of payment (and not merely of collection) without regard to: (i) any modification, amendment or variation in or addition to the terms of any of the Obligations or any covenants in respect thereof or any security therefor, (ii) any extension of time for performance or waiver of performance of any covenant of Licensee or any other Guarantor or any failure or omission to enforce any right with regard to or any other indulgence with respect to any of the Obligations, (iii) any exchange, surrender,

release of any other guaranty of or security for any of the Obligations, or (iv) any bankruptcy, insolvency, reorganization, or proceeding involving or affecting Licensee or any other Guarantor, it being Guarantors' intent that Guarantors' obligations hereunder shall be absolute and unconditional under any and all circumstances.

28.2 Guarantor Waivers.

Each Guarantor hereby expressly waives diligence, presentment, demand, protest, and all notices whatsoever with regard to any of the Obligations and any requirement that Licensor exhaust any right, power or remedy or proceed against Licensee or any other Guarantor of or any security for any of the Obligations. Each and every default in payment or performance by Licensee of any of the Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder against any Guarantor as each cause of action arises. Notwithstanding the foregoing, Licensor hereby acknowledges and agrees that the Guarantors do not waive any defense that an Obligation has already been paid, already been performed, is not due or yet due, or is subject to offset under the terms of this Agreement. For the avoidance of doubt, nothing herein shall obligate any Guarantor to make any payment which is illegal for such Guarantor to have made under any Applicable Law now or hereafter in effect in any jurisdiction applicable to such Guarantor.

28.3 Maximum Liability of Guarantors.

It being understood that the intent of Licensor is to obtain a guaranty from each Guarantor, and the intent of each Guarantor is to incur guaranty obligations, in an amount no greater than the largest amount that would not render such obligations subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, it is hereby agreed that:

(a) if (i) the sum of the obligations of the Guarantors hereunder (the "Guarantor Obligations") *exceeds* (ii) the sum (such sum, the "Total Available Net Assets") of the Maximum Available Net Assets of the Guarantors and Licensee, in the aggregate, then the Guarantor Obligations of each Guarantor shall be limited to the greater of (x) the Total Available Net Assets and (y) the value received by such Guarantor in connection with the incurrence of the Guarantor Obligations to the greatest extent such value can be determined; and

(b) if, but for the operation of this clause (b) and notwithstanding clause (a) above, the Guarantor Obligations of any Guarantor hereunder otherwise would be subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, taking into consideration such Guarantor's (i) rights of contribution, reimbursement and indemnity from Licensee and the other Guarantors with respect to amounts paid by such Guarantor in respect of the Obligations (calculated so as to reasonably maximize the total amount of obligations able to be incurred hereunder), and (ii) rights of subrogation to the rights of Licensor, then the Guarantor Obligations of such Guarantor shall be the largest amount, if any, that would not leave such Guarantor, after the incurrence of such obligations, insolvent or with unreasonable small capital within the meaning of Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, or otherwise make such obligations subject to such avoidance.

Any Person asserting that the Guarantor Obligations of a Guarantor are subject to clause (a) or are avoidable as referenced in clause (b) shall have the burden (including the burden of production and of persuasion) of proving (i) the extent to which such Guarantor Obligations, by operation of clause

(a), are less than the Obligations owed by Licensee to Licensor or (ii) that, without giving effect to clause (b), the Guarantor Obligations of such Guarantor hereunder would be avoidable and the extent to which such Guarantor Obligations, by operation of clause (b), are less than the Obligations of Licensee, as the case may be.

[*SIGNATURE BLOCKS APPEAR ON THE FOLLOWING PAGE*]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement, under seal, as of the Effective Date.

LICENSOR:

THE RITZ-CARLTON HOTEL COMPANY, L.L.C.

By: /S/ KEVIN M. KIMBALL
Name: Kevin M. Kimball
Title: Vice President

LICENSEE:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

SOLELY FOR THE PURPOSES OF THE GUARANTY IN SECTION 28.:

THE RITZ-CARLTON MANAGEMENT COMPANY, LLC

By: **The Ritz-Carlton Development Company, Inc. its sole member**

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

THE RITZ-CARLTON DEVELOPMENT COMPANY, INC.

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

EXHIBIT A

DEFINITIONS

When used in this Agreement the following terms have the meanings indicated:

"AAA Rules" has the meaning set forth in Section 22.4.A.

"Accounting Period" means any four (4) week period having the same beginning and ending dates as Licensee's four (4) week accounting periods (except that an Accounting Period may occasionally contain five (5) weeks when necessary to conform Licensee's accounting system to the calendar). Licensee shall have the right, at its discretion, to modify the definition of Accounting Period to mean any one of the twelve (12) calendar months in a calendar year or such other period of time as is consistent with the accounting periods that Licensee may implement, from time to time with respect to the MVW Ritz-Carlton Business.

"Affected Services" has the meaning set forth in Section 11.2.C.

"Affiliate" means, for any Person, a Person that is directly (or indirectly through one or more intermediaries) Controlling, Controlled by, or under common Control with such Person.

"Agreed Territorial Protections" has the meaning set forth in Section 5.7.A.

"Agreement" means this License Agreement, including any exhibits, attachments, and addenda.

"Applicable Law" means all laws, regulations, ordinances, rules, orders, decrees, and requirements of any governmental authority having jurisdiction over the MVW Ritz-Carlton Business or over the Projects, the Sales Facilities, Licensee, Guarantor, Licensor or this Agreement.

"Available Net Assets" shall mean, with respect to any Person, the amount, as of the respective date of calculation, by which the sum of such Person's assets (including subrogation, indemnity, contribution, reimbursement and similar rights that such Person may have, but excluding any such rights in respect of the Guarantor Obligations), determined on the basis of a "fair valuation" or their "fair saleable value" (whichever is the applicable test under Section 548 and other relevant provisions of the Bankruptcy Code and the relevant state fraudulent conveyance or transfer laws), is greater than the amount that will be required to pay all of such Person's debts, in each case matured or unmatured, contingent or otherwise, as of the date of calculation, but excluding liabilities arising under the Guaranty set forth in Section 28. of this Agreement and excluding, to the maximum extent permitted by Applicable Law with the objective of avoiding rendering such Person insolvent, liabilities subordinated to the Obligations arising out of loans or advances made to such Person by any other Person.

"Blocked Areas" means (i) Spain and all of its territories and possessions, (ii) Portugal and all of its territories and possessions, (iii) the United Kingdom and all of its dependencies and territories except for Anguilla, Bermuda, the Cayman Islands, and the Turks and Caicos Islands, and (iv)continental France (meaning the country of France) and also including Corsica for so long as it is a French territorial collectivity, but not including any other French overseas departments, territories, possessions and territorial collectivities.

"Brand Loyalty Programs" means the programs generally used for Ritz-Carlton Hotels that are designed to increase brand loyalty (and consequently market share, length of stay and frequency of usage of such hotels and other branded and affiliated products), and/or any similar, complementary, or successor program. As of the Effective Date, such programs include "Ritz-Carlton Rewards".

"Brand Standards" means the Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program (including the Quality Assurance Audit System and the Customer Satisfaction System), as of the Effective Date and as thereafter modified, amended or supplemented in accordance with Section 7.2. The Brand Standards also include Licensor's brand standards for Ritz-Carlton Hotels, which include, without limitation, standards and specifications related to health, fire and life safety, security and terrorism standards, the bedding package, customer accessible high speed internet access, Electronic Systems Standards, standards related to transient rentals, standards related to food and beverage services and outlets, but only to the extent applicable to the MVW Ritz-Carlton Business and with appropriate modifications to reflect appropriate differences between hotel service levels and service levels applicable to the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business. The Design Guide; the Brand Style and Communications Standards; the Operational Brand Standards; and the Quality Assurance Program will be set forth on Licensee's intranet site. All other Brand Standards will be set forth on Licensor's intranet site. The Brand Standards may be in paper or in electronic form.

"Brand Style and Communications Standards" means those standards related to use, style, and presentation of the Licensed Marks and other communications regarding the MVW Ritz-Carlton Business as set forth in the Brand Style and Communications Standards document and the Brand Creative and Communication Standards of The Ritz-Carlton Destination Club document, as they exist on the Effective Date, as they may be modified pursuant to Section 7.2.

"Branded Elements" means (i) the Brand Loyalty Programs or successor thereto, (ii) Licensor-owned or -controlled branded elements of the Reservation System, (iii) Licensor-owned or -controlled branded elements of Licensor's website, ritzcarlton.com, or any additional pages or sites within ritzcarlton.com, (iv) use of the Brand Loyalty Programs member lists, (v) access to Ritz-Carlton Hotels for marketing of Destination Club Products, and (vi) access to Ritz-Carlton Hotels as an ancillary benefit exchange option for Destination Club Products. Notwithstanding the foregoing, the platform, infrastructure, coding, and non-customer facing elements of the Brand Loyalty Programs, the Reservation System, and the Licensor website(s) shall not be considered "Branded Elements" for purposes of this Agreement.

"Business Changes" has the meaning set forth in Section 11.2.C.

"Case Goods" means furniture and fixtures used in the Projects and their Public Facilities, such as chests, armoires, chairs, beds, headboards, desks, tables, television sets, mirrors, pictures, wall decorations, graphics and all other unspecified items of the same class.

"Change in Control" shall be deemed to have occurred when (i) any "person" or "group" (as such terms are used in Sections 13(e) and 14(d) of the Securities Exchange Act), other than a Significant Shareholder or a "group" of Significant Shareholders, acquires beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act) of, or the power to exercise, directly or indirectly, effective control for any purpose over, shares representing more than (A) fifteen percent (15%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is then a publicly traded company or (B) thirty percent (30%) of the combined voting power of the then-outstanding securities entitled to vote generally in elections of directors of Licensee if Licensee is not then a publicly traded; (ii) the stockholders of Licensee approve any plan or proposal for the liquidation, dissolution or winding up of Licensee; (iii) the earlier of (A) the date Licensee (x) consolidates with or merges into any other Person or any other Person merges into

Licensee unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction, or (y) conveys, transfers or leases all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company) or (B) the date the stockholders of Licensee approve a definitive agreement to (x) consolidate Licensee with or merge Licensee into any other Person unless the stockholders of Licensee immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the Person resulting from such transaction in substantially the same proportion as their ownership of the outstanding securities entitled to vote generally in elections of directors of Licensee immediately before such transaction or (y) convey, transfer or lease all or a substantial portion of all of Licensee's assets to any Person (other than a wholly-owned subsidiary as a result of which Licensee becomes a holding company); or (iv) Continuing Directors do not at any time constitute a majority of the Board of Directors of Licensee (or, if applicable, a successor corporation to Licensee).

"Changes" has the meaning stated in Section 13.4.B.

"Co-Located Hotel" has the meaning set forth in Section 5.4.A.

"Co-Located Ritz-Carlton Hotel" has the meaning set forth in Section 5.6.

"Continuing Director" means at any date a member of Licensee's Board of Directors (i) who was a member of such board on the Effective Date or (ii) who was nominated or elected by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to Licensee's Board of Directors was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or such lesser number comprising a majority of a nominating committee if authority for such nominations or elections has been delegated to a nominating committee whose authority and composition have been approved by at least a majority of the directors who were Continuing Directors at the time such committee was formed.

"Competing Entities" has the meaning stated in Section 9.1.F.

"Condominium Hotel" means a hotel in which the guest rooms may be placed in a rental pool or rental program and some or all of the guest rooms are financed by virtue of a lease, whole ownership condominium regime, strata title, or any similar regime. Ritz-Carlton Residential Projects operating under the "Ritz-Carlton Residences" name shall not be deemed to be Condominium Hotels for the purposes of this Agreement.

"Control" (and any form thereof, such as "Controlling" or "Controlled") means, for any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

"Controlled Property Owners' Association" means a Property Owners' Association that is controlled by Licensee or one of its Affiliates.

"Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers, mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data.

"Customer Satisfaction System" means the mechanism used by Licensee to administer and compile customer satisfaction data to measure different aspects of the customer experience, including product, sales and Member services, as of the Effective Date as it may be modified pursuant to Section 7.2. As of the Effective Date, the Customer Satisfaction System consists of the Guest Satisfaction Survey Program, the Member Satisfaction Survey Program in a form substantially similar to the Member Satisfaction Survey Program used most recently prior to the Effective Date with respect to the MVW Ritz-Carlton Business, and the Sales and Marketing Satisfaction Program (previously known as the Customer Acquisition Program) upon which the parties will agree on or before April 1, 2012 (if the parties do not reach agreement on a Sales and Marketing Satisfaction Program by April 1, 2012, then Licensee must promptly reinstitute the Customer Acquisition Program used most recently prior to the Effective Date with respect to the MVW Ritz-Carlton Business).

"CSS Measurement Period" means the time period set forth in the Customer Satisfaction System used for measuring customer satisfaction under the Customer Satisfaction System.

"Data Protection Laws" means data protection and privacy laws and regulations under Applicable Law.

"Deficiency" has the meaning set forth in Section 8.4.C.

"Deflag" or "Deflagging" means (i) with respect to a Project, when a Project has been removed from the System and is no longer operating under the Licensed Marks, (ii) with respect to a Non-Site Specific Destination Club Ownership Vehicle, when a Non-Site Specific Destination Club Ownership Vehicle has been removed from the System and is no longer operating as part of a Licensed Non-Site Specific Destination Club Program or under the Licensed Marks, and (iii) with respect to a Licensor Lodging Facility, when a Licensor Lodging Facility has been removed from the applicable system of Licensor Lodging Facilities and is no longer operating under any of the Proprietary Marks.

"Design Guide" means the guide that comprises the standards necessary for planning, constructing, renovating, and refurbishing Projects, including site plans, architectural, mechanical, electrical, civil engineering, landscaping, and interior design, as set forth in the Design Guide document as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Design Review Addendum" means the Design Review Addendum attached to this Agreement as Exhibit G, which is incorporated by reference in this Agreement.

"Destination Club Business" means the business of (i) developing and operating Destination Club Projects; (ii) developing, selling, marketing, managing, operating and financing Destination Club Products and Destination Club Units; (iii) developing, selling, marketing and operating Exchange Programs; (iv) managing rental programs associated with Destination Club Products; (v) establishing and operating sales facilities for Destination Club Products; (vi) managing the Member services related to Destination Club Products; and (vii) managing or operating the amenities of Destination Club Projects (e.g., country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Destination Club Projects, and businesses that are ancillary to the foregoing activities (e.g. travel insurance), all of which are associated with Destination Club Products.

"Destination Club Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Destination Club Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Destination Club Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A

Person that has an interest in a Destination Club Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Destination Club Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Destination Club Competitor for purposes of this Agreement.

"Destination Club Competitor Brand" means a branded Destination Club Business chain with both (i) one thousand (1,000) or more Destination Club Units and (ii) ten (10) or more Destination Club Projects; provided, however, that Destination Club Competitor Brand shall not include a branded Destination Club Business created or developed by Licensee or its Affiliates.

"Destination Club Project" means a project that includes Destination Club Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in such improvements at the site of the project.

"Destination Club Royalty Fees" has the meaning stated in Section 3.1.A.

"Destination Club Products" means timeshare, fractional, interval, vacation club, destination club, vacation membership, private membership club, private residence club, points club, and other forms of products, programs and services, in each case wherein purchasers acquire an ownership interest, use right or other entitlement to use one or more of certain determinable overnight accommodations and associated facilities in a system of units and facilities on a recurring, periodic basis and pay for such ownership interest, use right or other entitlement in advance (whether payments are made in lump-sum or periodically over time), and associated Exchange Programs.

"Destination Club Unit" means a physical unit used for overnight accommodation as part of a Destination Club Product.

"Dispute" means any dispute, controversy, or claim arising out of or relating to this Agreement, or the making, breach, termination, or invalidity of this Agreement, or the relationship created thereby.

"Effective Date" has the meaning stated in the preamble to this Agreement.

"Electronic Systems" means all Software, Hardware and all electronic access to Licensor's systems and data, licensed or made available to Licensee relating to the System, including the Reservation System and any other system established under Section 10.

"Electronic Systems License Agreement" means the electronic systems license agreement that will be executed by Licensee as a condition to using the Electronic Systems.

"Electronic Systems Standards" means Licensor's standards, policies, procedures, guidelines and practices with respect to (i) systems that interface with Licensor's Electronic Systems, (ii) information technology and systems that store or transmit Licensor Confidential Information, and (iii) data security and privacy and compliance with Data Protection Laws as applicable to the systems and information technology referred to in clauses (i) and (ii) in this definition, in each case as updated from time to time.

"Employee Benefits Allocation Agreement" means the Employee Benefits and Other Employment Matters Allocation Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Exchange Program" means any method, arrangement, program or procedure for the voluntary exchange by Members of the right to use and occupy Destination Club Units for the right to use, occupy or benefit from other accommodations, facilities, programs or services that meet the luxury positioning of the Ritz-Carlton Destination Club Business.

"Excluded Area" means any countries and jurisdictions in which Licensor does not own a trademark registration for an applicable Licensed Mark, whether due to a prior third party registration or application or use of a conflicting mark or for other reasons, or with respect to which Licensor does not have the right to grant licenses for the "Ritz-Carlton" name and mark to third-parties, and includes any Unregistered Areas. As of the Effective Date, the Excluded Area also includes the Blocked Areas.

"Existing Golf Facilities" means the golf courses, facilities and services managed and operated as part of the MVW Ritz-Carlton Business as of the Effective Date as set forth in Exhibit I.

"Existing Projects" means the Ritz-Carlton Destination Club Projects and the Ritz-Carlton Residential Projects that are existing and in operation or that have been approved by Licensor as of the Effective Date as set forth in Exhibit B.

"Expert" shall mean an independent, nationally or internationally recognized consulting firm or individual having a minimum of ten (10) years of international experience in the timeshare and lodging industry and qualified to resolve the issue in question, provided that an Expert shall not include any individual who is, as of the date of appointment or within six (6) months prior to such date, employed either directly or indirectly as a consultant in connection with any other matter, by a party (or its Affiliates) seeking to appoint such person.

"Extension Term" has the meaning set forth in Section 4.2.

"Extraordinary Event" means any of the following events, regardless of where they occur or their duration: acts of nature (including hurricanes, typhoons, tornadoes, cyclones, other severe storms, winds, lightning, floods, earthquakes, volcanic eruptions, fires, explosions, disease, or epidemics); fires and explosions caused wholly or in part by human agency; acts of war or armed conflict; riots or other civil commotion; terrorism (including hijacking, sabotage, chemical or biological events, nuclear events, disease-related events, bombing, murder, assault and kidnapping), or the threat thereof; strikes or similar labor disturbances; embargoes or blockades; shortage of critical materials or supplies; action or inaction of governmental authorities that have an impact upon the MVW Ritz-Carlton Business, excluding, however, general economic and/or market conditions not caused by any of the events described herein.

"Four Seasons Brand" means any brand owned or controlled by Four Seasons Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Four Seasons Brands include Four Seasons Hotels and Resorts.

"Frequent Traveler Program" See definition of Brand Loyalty Program.

"GDP Deflator" means the "Gross Domestic Product Implicit Price Deflator" issued from time to time by the United States Bureau of Economic Analysis of the Department of Commerce, or if the aforesaid GDP Deflator is not at such time so prepared and published, any comparable index selected by Licensor and reasonably satisfactory to Licensee (a "Substitute Index") then prepared and published by an agency of the government of the United States, appropriately adjusted for changes in the manner in which such index is prepared and/or year upon which such index is based. Any dispute regarding the selection of the Substitute Index or the adjustments to be made thereto shall be settled by a panel of three (3)

Experts in accordance with Section 22.5. Except as otherwise expressly stated herein, whenever a number or amount is required to be "adjusted by the GDP Deflator," or similar terminology, such adjustment shall be equal to the percentage increase or decrease in the GDP Deflator which is issued for the month in which such adjustment is to be made (or, if the GDP Deflator for such month is not yet publicly available, the GDP Deflator for the most recent month for which the GDP Deflator is publicly available) as compared to the GDP Deflator which was issued for the month in which the Effective Date occurred.

"Gross Commissions" means the gross commissions paid or to be paid to Licensee or its Affiliates in connection with the initial sale or re-sale by Licensee or its Affiliates on behalf of third parties of interests held by such third parties in Ritz-Carlton Destination Club Units or in Ritz-Carlton Residential Units (without deduction for any costs or Taxes). For the avoidance of doubt, Gross Commissions exclude maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases.

"Gross Sales Price" means the gross sale price paid or to be paid to Licensee or its Affiliates for the initial sale or re-sale of interests held by Licensee or its Affiliates in Ritz-Carlton Destination Club Units or in Ritz-Carlton Residential Units, whether directly or through the issuance of beneficial interests, other ownership interests, use rights or other entitlements (whether the value of which is denominated as points, weeks, or any other currency), including interests in a land trust or similar real estate vehicle (without deduction for any transaction costs including brokerage commissions and expenses, but less applicable Taxes paid by Licensee or its Affiliates or gross up for Taxes paid by purchasers, in each case assessed with respect to such sale or re-sale transaction (and not on the basis of income)), regardless of whether any part thereof is financed by Licensee or any third party. For the avoidance of doubt, the Gross Sales Price excludes maintenance fees, management fees, dues, exchange fees, enrollment fees, property management fees, or interest or financing charges with respect to financed purchases. To the extent that interests in Ritz-Carlton Destination Club Units are used as consideration, in whole or in part, for the purchase of interests in other Ritz-Carlton Destination Club Units, then the value ascribed to such interests shall be the list price of the acquired interests, less any applicable discount.

"Guarantor" means individually and collectively the Person(s) who guarantee(s) the performance of Licensee's obligations under this Agreement , the Electronic Systems License Agreement, and the Design Review Addendum under the Guaranty.

"Guarantor Obligations" has the meaning set forth in Section 28.3.

"Guaranty" means the guaranty set forth in Section 28.

"Hardware" means all computer hardware and other equipment (including all future upgrades, enhancements, additions, substitutions, and other modifications thereof) required for the operation of and connection to any Electronic System.

"Hilton Brand" means any brand owned or controlled by Hilton Worldwide or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Hilton Brands include Waldorf Astoria Hotels and Resorts, Conrad Hotels and Resorts, Hilton Hotels and Resorts, Doubletree by Hilton, Embassy Suites, Hampton, Home2, and Hilton Grand Vacations.

"Illegal Facilities" has the meaning set forth in Section 9.1.G.

"Initial Term" has the meaning set forth in Section 4.1.

"Interest Rate" means the lesser of: (i) LIBOR plus 800 basis points; or (ii) the maximum rate permitted by applicable usury laws.

"Leisure/Vacation Product" means a product designed and intended primarily for leisure and vacation travelers and uses, which may include limited meeting space or multipurpose rooms or facilities designed for internal use by Licensee and its Affiliates or use by small groups or for Property Owners' Associations meetings, as well as certain customary business amenities typically found at leisure hotels, such as high-speed internet access, business services centers and fax machines. For the avoidance of doubt, the following intended uses are consistent with a Leisure/Vacation Product: recreational, social, educational or other affinity group events, meetings or classes (such as cooking classes and educational seminars); family reunions; the conducting of business during leisure and vacation stays; and the fact that some customers may purchase and use Destination Club Products primarily for business purposes, especially in urban locations such as Boston or London. A Leisure/Vacation Product does not include a product designed and intended primarily for business travelers or for group, meeting, association or convention business.

"LIBOR" means the rate per annum for deposits in U.S. dollars for a one (1) month period appearing on that page of the Bloomberg's Report which displays British Banker's Association Interest Settlement Rates for deposits in U.S. dollars (or if such page or service shall cease to be available, such other page on that service or such other service designated by the British Banker's Association for the display of such Association's Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) on the first business day of each month.

"Licensed Non-Site Specific Destination Club Program" means a Non-Site Specific Destination Club Program operating under the Licensed Marks. As of the Effective Date, the Licensed Non-Site Specific Destination Club Programs include the "Ritz-Carlton Destination Club" program.

"Licensed Domains" has the meaning stated in Section 13.4.B. The Licensed Domains include the Licensed Project Domains.

"Licensed Marks" means (i) (a) the name and mark "Ritz-Carlton" solely as used in the name and mark "Ritz-Carlton Destination Club", in the Permitted Licensee Affiliate Names, and in the domain names documented by the parties, but not "Ritz-Carlton" or any elements thereof used by itself or with other words, terms, designs or other elements, and (b) the Licensed Project Names; (ii) the trademark "Ritz-Carlton" in stylized format solely as used in the name and mark "Ritz-Carlton Destination Club" but not "Ritz-Carlton" in stylized format or any elements thereof used by itself or with other words, terms, designs, or other elements; (iii) the Lion & Crown Logo used in association with the Ritz-Carlton brand; (iv) (x) the name and mark "Ritz-Carlton", solely as used in the name and mark "Ritz-Carlton Club" but not "Ritz-Carlton" or any elements thereof used by itself or with other words, terms, designs or other elements and (y) the trademark "Ritz-Carlton" in stylized format, solely as used in the name and mark "Ritz-Carlton Club" but not "Ritz-Carlton" in stylized format or any elements thereof used by itself or with other words, terms, designs or other elements; (v) (x) the name and mark "Ritz-Carlton" solely as used in the name and mark "Ritz-Carlton Residences" but not "Ritz-Carlton" or any elements thereof used by itself or with other words, terms, designs or other elements and (y) the trademark "Ritz-Carlton" in stylized format solely as used in the name and mark "Ritz-Carlton Residences" but not "Ritz-Carlton" in stylized format or any elements thereof used by itself or with other words, terms, designs or other elements; (vi) the name and mark "Ritz-Carlton" solely as used in the name and mark "Ritz-Carlton Golf" pursuant to the terms set forth in Section 1.C., but not the name "Ritz-Carlton" used by itself or with other words, terms, designs or other elements; and (vii) certain specified additional names and marks on an exclusive or non-exclusive basis that Licensor may specify in writing from time to time. The Licensed Marks shall not include other hotel brands or marks or other marks owned by Licensor or its Affiliate. The Licensed Marks do not include the Licensee Marks.

"Licensed Project Domains" means the domain names that contain, reference, or are comprised of the Licensed Project Names.

"Licensed Project Names" means the components of the full name and mark for one or more individual Projects but excluding the name "Ritz-Carlton" in any form. For example, "The Abaco Club on Winding Bay" would constitute the Licensed Project Name for a Project with respect to which the full name is "The Abaco Club on Winding Bay, a Ritz-Carlton Managed Club".

"Licensed Services" means timeshare and/or residential services, including development, marketing, sales, financing and management activities related to timeshare and residential services.

"Licensee" has the meaning stated in the preamble to this Agreement.

"Licensee Confidential Information" means any confidential information, knowledge, trade secrets, business information, operating procedures and know-how that are not included in the Brand Standards, which is identified in writing as confidential and is proprietary to Licensee or its Affiliates. Licensee Confidential Information does not include any Licensor Confidential Information, or Licensor Intellectual Property. Additionally, Licensee Confidential Information shall not include information that Licensor can demonstrate was, at the time of disclosure by Licensee to Licensor, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensee Intellectual Property" means (i) the Licensee Marks and (ii) all other intangible property used by Licensee in connection with the MVW Ritz-Carlton Business, including trade secrets, customer lists, operating procedures and know-how that are not included in the Brand Standards, copyrights and copyrightable materials, patents, and online locators (including the vacationclub.com domain name and other domain names (including domain names assigned by Licensor or its Affiliates to Licensee), email addresses, metatags, screen names, and social networking names) that do not comprise or contain any of the Licensed Marks, provided, the Licensee Intellectual Property does not include any of the Licensor Intellectual Property.

"Licensee Marks" means all trademarks, service marks, trade names, symbols, emblems, logos, insignias, slogans and designs and other indicia of origin (including restaurant names, lounge names, and other outlet names) which are currently exclusively used to identify or are otherwise used in connection with the MVW Ritz-Carlton Business (and not in any of Licensor's or its Affiliates' other businesses) (whether registered or unregistered, and whether used alone or in connection with any other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans, and designs) other than the Licensed Marks and other than any marks or names that contain the words "Ritz-Carlton" or other Licensor Intellectual Property. The Licensee Marks include all trademarks and names assigned by Licensor to Licensee under Section 13.7.A. The Licensee Marks do not include any of the Proprietary Marks.

"Licensee's Website" has the meaning stated in Section 13.4.

"Licensor" means The Ritz-Carlton Hotel Company, L.L.C. and its successors and assigns.

"Licensor Confidential Information" means: (i) the Brand Standards, including the Brand Standards for the design, construction, renovation or operation of the Projects; (ii) Electronic Systems and

accompanying documentation developed for the System or elements thereof; (iii) MVW Ritz-Carlton Business Customer Information; or (iv) any confidential information, knowledge, trade secrets, business information or know-how identified as confidential obtained from Licensor or its Affiliates (a) through the use of any part of the System or concerning the System or the operation of the MVW Ritz-Carlton Business and the Projects or (b) under any Transaction Agreements. Licensor Confidential Information does not include any Licensee Confidential Information or Licensee Intellectual Property. Additionally, Licensor Confidential Information shall not include information that Licensee can demonstrate was, at the time of disclosure by Licensor to Licensee, part of the public domain or became part of the public domain, by publication or otherwise, except by breach of the provisions of this Agreement.

"Licensor Intellectual Property" means (i) the Licensed Marks, and (ii) all other intangible property licensed to Licensee for use in connection with the MVW Ritz-Carlton Business, including trade secrets, MVW Ritz-Carlton Business Customer Information, Brand Standards, know-how, copyrights and copyrightable materials, and online locators that comprise or contain any of the Licensed Marks (including domain names, email addresses, metatags, screen names and social networking names), provided, the Licensor Intellectual Property does not include any of the Licensee Intellectual Property.

"Licensor Lodging Facilities" means all hotels and other lodging facilities, chains, brands, or hotel systems owned, leased, under development, or operated or franchised, now or in the future, by Licensor or any of its Affiliates, including: (i) Marriott Hotels, Resorts and Suites; Marriott Marquis Hotels; JW Marriott Hotels and Resorts; Marriott Conference Centers; Marriott Executive Apartments; Courtyard by Marriott Hotels; Fairfield Inn by Marriott Hotels; Fairfield Inn & Suites by Marriott Hotels; Nickelodeon Resorts by Marriott; Renaissance Hotels and Resorts; Renaissance ClubSport; Autograph Collection Hotels; Residence Inn by Marriott Hotels; Bvlgari Hotels and Resorts; Edition Hotels; Ritz-Carlton Hotels and Resorts; SpringHill Suites by Marriott Hotels; TownePlace Suites by Marriott Hotels; and AC Hotels by Marriott; (ii) other lodging products or concepts, including Marriott ExecuStay; JW Marriott Residences; Marriott Marquis Residences; and (iii) any other lodging product or concept developed or utilized by Licensor or any of its Affiliates in the future.

"Licensor Usage Fees" means the fees for use of Licensor's or its Affiliates' Electronic Systems and other systems, copyrights and other materials, including, without limitation, the Reservation System Fee and the fees for any other system established under Section 10.

"Lodging Business" means the business of developing, promoting, constructing, owning, leasing, acquiring, financing, managing, and/or operating, or authorizing or otherwise licensing or franchising to other Persons the right to develop, promote, construct, own, lease, acquire, finance, manage and/or operate, hotels, resorts, corporate housing, serviced apartments, or other transient or extended stay lodging facilities, including Condominium Hotels, but does not include activities included in the term Destination Club Business or Whole Ownership Residential Business.

"Lodging Competitor" means any Person or an Affiliate of any Person that (i) owns or has direct or indirect Ownership Interest in a Lodging Competitor Brand or (ii) is a master franchisee, master franchisor or sub-franchisor for a Lodging Competitor Brand (for the purposes hereof, the terms master franchisee, master franchisor, and sub-franchisor each mean a Person that has been granted the right by a franchisor to offer and sell subfranchises for such Person's own account). A Person that has an interest in a Lodging Competitor Brand merely as a franchisee or as a mere passive investor that has no Control or influence over the business decisions of the Lodging Competitor Brand, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation, is not a Lodging Competitor for purposes of this Agreement.

"Lodging Competitor Brand" means (i) a branded full service or luxury hotel chain with both (x) four thousand (4,000) or more rooms and (y) twenty (20) or more hotels or (ii) a branded select service or extended stay hotel chain with both (x) ten thousand (10,000) or more rooms and (y) fifty (50) or more hotels; provided, however, that Lodging Competitor Brand shall not include a branded hotel chain created or developed by Licensee or its Affiliates.

"Logoed Merchandise" has the meaning stated in Section 9.1.G.

"Luxury Brand Segment" means the "luxury" brand segment of the hospitality industry as defined by Smith Travel Research (or its successor). If at any time such segment is not then defined by Smith Travel Research (or its successor), then such segment shall be replaced by a comparable segment as is then defined by Smith Travel Research (or its successor). In the event Smith Travel Research (or its successor) ceases to define comparable segmentation or in the event that Smith Travel Research (or its successor) ceases to exist, then the parties shall identify a replacement source and a replacement definition of the segment comparable to "luxury" as previously defined by Smith Travel Research (or its successor). Any dispute regarding the selection of replacement definitions or sources shall be settled by Expert resolution in accordance with Section 22.5.

"Management Company" has the meaning stated in Section 8.3.

"Management Company Acknowledgment" means an acknowledgment signed by the Management Company, Licensee and Licensor, the current form of which is attached hereto as Exhibit C.

"Marketing Content" means all advertising, marketing, promotional, sales and public relations concepts, press releases, materials, copy, concepts, plans, programs, seminars, brochures, directories, and sales and marketing campaigns or other information to be released to the public, whether in paper, digital, electronic or computerized form, or in any form of media now or hereafter developed.

"Marriott Family Member" means J.W. Marriott, Jr., Richard E. Marriott, any brother or sister of J.W. Marriott, Sr., any children or grandchildren of any of the foregoing, any spouses of any of the foregoing, or any trust or other entity established primarily for the benefit of one or more of the foregoing.

"Marriott License Agreement" has the meaning set forth in Recital H.

"Marriott Licensed Business" means the Destination Club Business and Whole Ownership Residential Business of Licensee that is licensed to use the "Marriott" name and mark pursuant to the Marriott License Agreement.

"Maximum Available Net Assets" shall mean, with respect to any Person, the greatest of the Available Net Assets of such Person calculated as of the following dates: (A) the Effective Date, and (B) each date on which such Person expressly reaffirms the Guaranty set forth in Section 28 of this Agreement.

"Member" means (i) an owner of a timeshare, fractional, or interval ownership interest, use right or other entitlement to use a Destination Club Unit or (ii) an owner of an interest in a Residential Unit.

"Member Service Center" means a facility at which Licensee provides Members with off-site services with respect to their use and enjoyment of interests in Ritz-Carlton Destination Club Products.

"Minimum Customer Satisfaction Score" means the minimum score that Projects are required to meet and maintain for customer satisfaction under the Customer Satisfaction System.

"Mixed-Use Project" has the meaning stated in Section 5.2.F.

"Modified Third-Party List" has the meaning set forth in Section 9.1.E.

"MVW Ritz-Carlton Business" means, collectively, the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business operated under the Licensed Marks and the System pursuant to this Agreement.

"MVW Ritz-Carlton Business Customer Information" means the names, addresses, phone and fax numbers, email addresses and other personal information of owners, customers or potential owners or customers (including all Members and their family members), mailing lists, "lead" lists, contact lists, or similar lists or databases, and related data, in each case in whatever form and to the extent such information (i) was in Licensee's possession as of the date of the Spin-Off Transaction, (ii) obtained by Licensee in connection with the MVW Ritz-Carlton Business on or after the date of the Spin-Off Transaction (including directly or indirectly obtained from Licensor or its Affiliates or by or through the Brand Loyalty Program), or (iii) any Modified Third-Party List.

"Negotiation Opportunity Notice" has the meaning stated in Sections 5.4.A. and 5.6.

"New Licensee Programs" has the meaning stated in Section 9.5.B.

"New Project Application" has the meaning stated in Section 5.2.A.

"New Projects" means Ritz-Carlton Destination Club Projects and Ritz-Carlton Residential Projects that are not in existence or operating as of the Effective Date but that are subsequently developed and operated pursuant to the terms and conditions of this Agreement.

"Noncompetition Agreement" has the meaning stated in Section 2.1.

"Non-Controlled Property Owners' Association" means a Property Owners' Association that is not controlled by Licensee or one of its Affiliates .

"Non-RCHC Managed Projects" has the meaning stated in Section 8.3.B.

"Non-Renewal Agreement" has the meaning stated in Section 18.1.A(ii).

"Non-RHL Territory" means the United States, Canada, Chile, Brazil, Taiwan, and their respective territories and possessions.

"Non-Site Specific Destination Club Ownership Vehicle" means an ownership vehicle (such as a trust or property owning company) that (i) holds interests in Destination Club Units and (ii) is included as part of a Non-Site Specific Destination Club Program.

"Non-Site Specific Destination Club Program" means a program under which purchasers acquire an ownership interest, use right or other entitlement to use a system of Destination Club Projects.

"Obligations" has the meaning set forth in Section 28.1.

"Offering Documents" has the meaning stated in Section 9.1.B.

"Operational Brand Standards" means those standards related to marketing and sales operations, Member services, and Project operations, as set forth in the following documents as they exist on the Effective Date, as they may be modified pursuant to Section 7.2: (i) Owner Services Brand Standards; (ii) Resort Operations Brand Standards; and (iii) Marketing and Sales Operations Brand Standards.

"Other Mark(s)" means any trademark, trade name, symbol, slogan, design, insignia, emblem, device, or service mark that is not a Licensed Mark.

"Ownership Interest" means all forms of ownership of legal entities or property, both legal and beneficial, voting and non-voting, including stock interests, partnership interests, limited liability company interests, joint tenancy interests, leasehold interests, proprietorship interests, trust beneficiary interests, proxy interests, power-of-attorney interests, and all options, warrants, and any other forms of interest evidencing ownership or Control.

"Payment Obligations" has the meaning set forth in Section 3.8.A.

"Permitted Licensee Affiliate Names" means the names of certain of Licensee's Affiliates set forth on Exhibit J.

"Permitted Territorial Restrictions" has the meaning set forth in Section 5.7.B.

"Person" means an individual; legal entity such as a partnership, trust, corporation, limited liability company; a government; an unincorporated organization; or any other legal entity of any kind.

"Personally Identifiable Information" means any information that can be associated with or traced to any individual, including an individual's name, address, telephone number, e-mail address, credit card information, social security number, or other similar specific factual information, regardless of the media on which such information is stored (e.g., on paper or electronically) and that is generated, collected, stored or obtained as part of this Agreement or in connection with the MVW Ritz-Carlton Business, including transactional and other data pertaining to users.

"Projects" means the Existing Projects and the New Projects.

"Property Owners' Association" means an association of owners of interests in Ritz-Carlton Destination Club Units, in Ritz-Carlton Residential Units, or in a Licensed Non-Site Specific Destination Club Program.

"Proprietary Marks" means the Licensed Marks, the Licensor Intellectual Property, and any other intangible property, trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including restaurant names, lounge names, or other outlet names), or combinations thereof, that are owned or registered by Licensor or any of its Affiliates, or are used to identify or are otherwise associated by virtue of usage with the System, all as may be changed, deleted, added to or otherwise modified by Licensor or its Affiliates. The Proprietary Marks may be owned currently by Licensor or any of its Affiliates or later developed or acquired, and may or may not be registered or applied for in any jurisdiction. The Proprietary Marks do not include any Licensee Marks or Licensee Intellectual Property.

"Public Facilities" means any meeting rooms, conference rooms, restaurants, bars, lounges, pools, recreation facilities, lobby areas, and all other similar public facilities.

"Purchase Contract" has the meaning set forth in Section 3.1.C.(ii).

"Quality Assurance Audit System" means the process utilized by Licensee to measure the quality and performance of operations at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2.

"Quality Assurance Program" means the quality assurance program used by Licensee to monitor customer satisfaction and the operations, facilities and services at the Projects as it exists on the Effective Date, as it may be modified pursuant to Section 7.2. The Quality Assurance Program includes the Customer Satisfaction System and the Quality Assurance Audit System.

"RCHC Managed Project" has the meaning stated in Section 8.3.A(i).

"RCHC Management Agreement" has the meaning stated in Section 8.3.A(i).

"Registrar" has the meaning stated in Section 13.4.B.

"Remediation Arrangement" means an arrangement agreed to by Licensor and Licensee under which, as applicable, Licensee agrees to (and completes) the cure of any material noncompliance with this Agreement or the Brand Standards or Licensor agrees to (and completes) the cure of any material failure to comply with Licensor's material obligations under this Agreement. Such Remediation Arrangement shall provide (i) reasonable opportunities for the parties to consult with each other or their respective Affiliates with respect to the appropriate cure for such noncompliance and (ii) for reasonable time periods for Licensee or Licensor, as applicable, to diligently pursue and cure such noncompliance, and the period to cure under the Remediation Arrangement shall not exceed one (1) year unless otherwise agreed by the parties.

"Reservation System" means any reservation system designated by Licensor for use by Ritz-Carlton Hotels (including all Software, Hardware and electronic access related thereto).

"Reservation System Fee" means the fee Licensee must pay to Licensor representing Licensee's share of the costs and expenses of the Reservation System, including development and incremental operating costs, ongoing maintenance, field support costs, and a reasonable return on capital.

"Residential Project" means a project that includes Residential Units, including all land used in connection with the project and (i) the freehold or long-term leasehold interest to the site of the project; (ii) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances (including the project building and all operating systems) located at the site of the project; and (iii) all furniture, fixtures, equipment, supplies and inventories installed or located in the Public Facilities of such improvements at the site of the project.

"Residential Royalty Fees" has the meaning stated in Section 3.1.B.

"Residential Units" means whole ownership residential units, including single family homes, condominium units, or other housing units which are owned on a whole (not fractional) ownership basis.

"Rewards Agreement" means the Marriott Rewards Affiliation Agreement between Marriott International, Inc., Marriott Rewards, LLC, Marriott Vacations Worldwide Corporation, and Marriott Ownership Resorts, Inc. regarding the Brand Loyalty Program entered into in connection with the Spin-Off Transaction.

"RHL" means The Ritz Hotel, Limited, an English private company.

"RHL Agreement" means that certain Amended and Restated Global Trademark Agreement between Licensor and RHL dated January 1, 2008, as such agreement may be amended, under which Licensor is licensed to use and sublicense the name, "Ritz", as part of the Licensed Marks throughout the RHL Territory.

"RHL Territory" as of the Effective Date means all of the Territory, except for the United States, Canada, Chile, Brazil, and Taiwan, and their respective territories and possessions.

"Ritz-Carlton Destination Club Business" means the Destination Club Business operated under the name "Ritz-Carlton Destination Club", "Ritz-Carlton Club", and the System and using other Licensed Marks, all pursuant to this Agreement. The Ritz-Carlton Destination Club Business does not include the business of managing or franchising hotels, other overnight lodging accommodation products offered for transient rental, except as specifically provided in Section 9.2, or any Condominium Hotel.

"Ritz-Carlton Destination Club Products" means Destination Club Products existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Ritz-Carlton Destination Club", "Ritz-Carlton Club", or the System or using other Licensed Marks, all pursuant to this Agreement. Ritz-Carlton Destination Club Products shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2.

"Ritz-Carlton Destination Club Projects" means Destination Club Projects existing as of the Effective Date or to be developed in future, and which are marketed, developed, and/or operated under the name "Ritz-Carlton Destination Club", "Ritz-Carlton Club", or the System or using other Licensed Marks, all pursuant to this Agreement. Ritz-Carlton Destination Club Projects shall exclude hotels and other overnight lodging accommodation products offered for transient rental, subject to Licensee's rights set forth in Section 9.2. Where the Ritz-Carlton Destination Club Project is limited to Ritz-Carlton Destination Club Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Ritz-Carlton Destination Club Project shall refer only to such Ritz-Carlton Destination Club Units, and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality and standard that is comparable to that required of Ritz-Carlton Destination Club Projects generally under this Agreement.

"Ritz-Carlton Destination Club Units" means Destination Club Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Ritz-Carlton Destination Club", "Ritz-Carlton Club", or the System or using other Licensed Marks, all pursuant to this Agreement.

"Ritz-Carlton Hotel" means a full-service hotel operated by Licensor, an Affiliate of Licensor, or a licensee of Licensor or its Affiliates under the trade name Ritz-Carlton and does not include any other Licensor Lodging Facility or other business operation.

"Ritz-Carlton Residential Projects" means Residential Projects existing as of the Effective Date or to be developed in the future, and which are marketed, developed, and/or operated under the name "Ritz-Carlton Residences" or the System or using other Licensed Marks, all pursuant to this Agreement. Where the Ritz-Carlton Residential Project is limited to Ritz-Carlton Residential Units being offered within a larger, mixed-use facility, and Licensee does not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Ritz-Carlton Residential Project shall refer only to such Ritz-Carlton Residential Units,

and the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility shall be of a quality and standard that is comparable to that required of Ritz-Carlton Residential Projects generally under this Agreement.

"Ritz-Carlton Residential Units" means Residential Units existing as of the Effective Date or to be developed in future, and which are sold, marketed, developed, and/or operated under the name "Ritz-Carlton Residences" or the System or using other Licensed Marks, all pursuant to this Agreement.

"Ritz-Carlton Whole Ownership Residential Business" means the Whole Ownership Residential Business operated under (i) the name "Ritz-Carlton Residences", and (ii) the System and other Licensed Marks, all pursuant to this Agreement.

"Royalty Fees" means, collectively, the Destination Club Royalty Fees and the Residential Royalty Fees.

"Sales Facilities" means galleries, desks and other physical facilities from which interests in Destination Club Units and/or Residential Units which are part of the MVW Ritz-Carlton Business are offered and sold to the public.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Service Modifications" has the meaning set forth in Section 11.2.C.

"Services Manual" means the manual under which certain services are provided by Licensor or its Affiliates to Licensee or its Affiliates in accordance with Section 11.2.

"Significant Shareholder" means any Person that is:

(i) either a Marriott Family Member or on the date hereof possesses, directly or indirectly, and such possession has been publicly disclosed, the power to vote 5% or more of the outstanding shares of common stock of the Licensee,

(ii) or hereafter becomes a spouse of or any other relative (by blood, marriage or adoption) of a Person described in clause (i),

(iii) or becomes a transferee of the interests of any of the foregoing Person or Persons by descent or by trust or similar arrangement intended as a method of descent, or

(iv)(x) an employee benefit or stock ownership plan of the Licensee or (y) a grantor trust established for the funding, directly or indirectly, of the Licensee's employee benefit plans and programs.

"Soft Goods" means textile, fabric and vinyl and similar products used in finishing and decorating the Ritz-Carlton Destination Club Units and the corridors and the Public Facilities of the Projects, such as vinyl wall and floor coverings, drapes, sheers, cornice coverings, carpeting, bedspreads, lamps, lamp shades, artwork, task chairs, upholstery and all other unspecified items of the same class.

"Software" means all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions and other modifications) provided to Licensee by or through Licensor and/or third parties designated by Licensor or its Affiliates required for the operation of and connection to any Electronic System.

"Specially Designated National or Blocked Person" means: (i) a Person designated by the U.S. Department of Treasury's Office of Foreign Assets Control as a "specially designated national or blocked person" or similar status; (ii) a Person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or (iii) a Person otherwise identified by government or legal authority as a Person with whom Licensor, Licensee or any of their Affiliates, are prohibited from transacting business. As of the Effective Date, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

"Starwood Brand" means any brand owned or controlled by Starwood Hotels and Resorts or its successors-in-interest (excluding Licensor or its Affiliates) as of the Effective Date or at any time in the future, regardless of whether such brand is subsequently acquired by a third party. As of the Effective Date, the Starwood Brands include Le Meridien, Westin, The Luxury Collection, aLoft, Four Points, Sheraton, Element by Westin, St. Regis, and W Hotels.

"System" means the Brand Standards, the Licensor Intellectual Property and other distinctive, distinguishing elements or characteristics that Licensor or its Affiliates have developed, designated or authorized for the operation of the MVW Ritz-Carlton Business and the Projects, including: the Reservation System and other Electronic Systems, the Brand Loyalty Programs, training programs, Licensor websites, and advertising programs, as such may be modified, amended or supplemented in accordance with Section 7.2. The System does not include any of the Licensee Intellectual Property.

"System Removal Agreement" has the meaning stated in Section 18.1.A(ii).

"Tax Sharing and Indemnity Agreement" means the Tax Sharing and Indemnity Agreement between Marriott International, Inc. and Marriott Vacations Worldwide Corporation entered into in connection with the Spin-Off Transaction.

"Taxes" means all taxes (including any sales, gross receipts, value-added or goods and services taxes), levies, charges, impositions, stamp or other duties, fees, deductions, withholdings or other payments levied or assessed by any competent governmental authority, including by any federal, national, state, provincial, local, or other tax authority.

"Term" means the Initial Term and the Extension Terms, if any.

"Territory" means the world.

"Third-Party List" has the meaning stated in Section 9.1.E.

"Total Available Net Assets" has the meaning set forth in Section 28.3.

"Transaction Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Transfer" means any sale, conveyance, assignment, exchange, pledge, encumbrance, lease or other transfer or disposition, directly or indirectly, voluntarily or involuntarily, absolutely or conditionally, by operation of law or otherwise.

"Travel Expenses" means all commercially reasonable travel, food and lodging, living, and other out-of-pocket costs and expenses (including, the cost and expense of obtaining any required visas, work permits or similar documentation).

"Undeveloped Parcels" has the meaning stated in Section 5.3.

"Unregistered Area" has the meaning stated in Section 13.1.C(2).

"Vulnerable Registrations" has the meaning stated in Section 13.1.C(2).

"Whole Ownership Residential Business" means the business of (i) developing and operating Residential Projects; (ii) developing, selling, marketing, managing, operating and financing Residential Units;(iii) managing rental programs associated with Residential Projects; (iv) establishing and operating sales facilities for Residential Units; (v) managing the owner services related to Residential Units; and (vi) managing or operating the amenities of Residential Projects (e.g. country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, etc.) located at or in the general vicinity of Residential Projects and businesses that are ancillary to the foregoing activities, all associated with Residential Projects.

EXHIBIT B

EXISTING PROJECTS

Approved Name of Project	Address of Project	Project Operator	Destination Club and/or Residential
The Abaco Club on Winding Bay, a Ritz-Carlton Managed Club	P.O. Box AB20571 Marsh Harbour Abaco, The Bahamas	The Ritz-Carlton Hotel Company, Ltd.	Destination Club Residential
The Ritz-Carlton Club, Aspen Highlands	0075 Prospector Road Aspen, Colorado 81611	The Ritz-Carlton Management Company, L.L.C.	Destination Club
The Ritz-Carlton Club, Bachelor Gulch	100 Bachelor Ridge Beaver Creek, Colorado 81620	The Ritz-Carlton Management Company, L.L.C.	Destination Club
The Ritz-Carlton Residences at Kauai Lagoons	3325 Holokawelu Way Lihue, Hawaii 96766	The Ritz-Carlton Management Company, L.L.C.	Destination Club
The Ritz-Carlton Club, Lake Tahoe	700 Northstar Drive Truckee, California 96161	The Ritz-Carlton Management Company, L.L.C.	Destination Club
The Ritz-Carlton Club, St. Thomas	6900 Great Bay St. Thomas 00802 U.S. Virgin Islands	RC Hotels (Virgin Islands), Inc.	Destination Club
The Ritz-Carlton Club, Vail	1031 South Frontage Road Vail, Colorado 81657	The Ritz-Carlton Management Company, L.L.C.	Destination Club
The Ritz-Carlton Club & Residences, Kapalua Bay	1 Bay Drive Lahaina, Maui, Hawaii 96761	The Ritz-Carlton Development Company, Inc.	Destination Club Residential
The Ritz-Carlton Club & Residences, San Francisco	690 Market Street San Francisco, California 94101	The Ritz-Carlton Management Company, L.L.C.	Destination Club Residential
The Ritz-Carlton Golf Club & Spa, Jupiter	115 Eagle Tree Terrace Jupiter, Florida 34477	The Ritz-Carlton Management Company, L.L.C.	Destination Club Residential
The Ritz-Carlton Residences, Vail	1031 South Frontage Road Vail, Colorado 81657	The Ritz-Carlton Management Company, L.L.C.	Residential

EXHIBIT B-1

UNDEVELOPED PARCELS

Project / Asset	Inv To be Sold
Abaco, Bahamas	**• Beachfront lots (10.1 Acres)** **• Ironshore lots (5.6 Acres)** **• Golf lots (26.0 Acres)** **• Inland lots (9.6 Acres)** **• Marles facing land (58.2 Acres)**
Grand Bahama, Bahamas	**• Undeveloped Timeshare Parcel (20 Acres)** **• MVCI Plan = 348 Units** **• Undeveloped Hotel Parcel (10 Acres)** **• MVCI Plan = 380 rooms**

Project / Asset	Inv To be Sold
Kauai Lagoons, HI	**• Inn on the Cliffs** **(22 units)** **• Townhomes** **(5 units)** **• Makalii Bldg A** **(37 units)** **• Makalii Bldg B** **(52 units)** **• Maikalii Bldg C** **(28 units)** **• Residential Golf Lots** **(65 lots)** **• MVC T/S** **(292 units)** **• MVC T/S Sequel** **(193 units)** **• Affordable Housing (31 units)** **• Golf Course, Restaurant & Golf Clubhouse**
St. Thomas Sequel, Cabrita Point, USVI **Residential Lots**	**<u>Lots:</u>** **• 28 available**

EXHIBIT C

MANAGEMENT COMPANY ACKNOWLEDGMENT

This Management Company Acknowledgment ("Management Company Acknowledgment") is executed as of _____, 20_____, by and between _____, a_____ ("Management Company"), Marriott Vacations Worldwide Corporation, a Delaware corporation ("Licensee"), and The Ritz-Carlton Hotel Company, L.L.C., a Delaware limited liability company ("Licensor").

WHEREAS, Management Company has entered into an agreement ("Management Agreement") with Licensee, pursuant to which Management Company will operate the [NAME OF PROJECT] (the "Project") located at _____ ("Approved Location"), in accordance with the terms of that certain License, Services and Development Agreement dated effective November 19, 2011 for Ritz-Carlton Projects (as such agreement may be amended, supplemented, restated or otherwise modified, the "License Agreement") between Licensor and Licensee; and

WHEREAS, Licensee has requested that Licensor consent to the operation of the Project by Management Company in accordance with the License Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and benefits to be derived herefrom, the receipt and sufficiency of which are acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Licensor's Consent. Subject to and in accordance with the terms and conditions of this Management Company Acknowledgment and the License Agreement, Licensor hereby consents to the operation of the Project by Management Company and grants to Management Company the right to operate the Project in accordance with the Brand Standards and to access and use the System, at, and only at, the Approved Location during the term of the License Agreement on behalf of Licensee. Licensor's grant in the immediately preceding sentence will terminate without notice to Management Company contemporaneously with the occurrence of any of the following events: (a) any termination of the License Agreement or Licensee's rights under the License Agreement with respect to the Project or (b) the execution of another management company acknowledgment among Licensor, Licensee and another management company with respect to the Project; provided that the duties and obligations of Management Company that by their nature or express language survive such termination, including Sections 3.b. and c. below, will continue in full force and effect notwithstanding the termination of Licensor's grant in the immediately preceding sentence.

2. Management Company Representations and Covenants. Management Company represents and warrants to Licensor that:

a. Management Company (and any Person this is in Control of Management Company or that is Controlled by Management Company) (i) is not known in the community as being of bad moral character; (ii) has not been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date of the License Agreement by the GDP Deflator) or more; (iii) is not a Specially Designated National or Blocked Person; or (iv) is not a Lodging Competitor;

b. neither Management Company nor any Affiliate of Management Company is a Lodging Competitor; and

c. the Management Agreement is valid, binding and enforceable and contains no terms, conditions, or provisions that are, or through any act or omission of Licensee or Management Company, may be or may cause a breach of or default under the License Agreement.

3. Management Company and Licensee Acknowledgments. Management Company and Licensee covenant and agree to the following:

a. Management Company will have the exclusive authority and responsibility for the day-to-day on-site management of the Project on behalf of and for the benefit of Licensee with respect to and in accordance with the terms of the License Agreement. The general manager of the Project will be an employee of Management Company and devote such time and attention to the management and operation of the Project as is necessary to fully comply with the terms, conditions and restrictions set forth in the License Agreement;

b. The Project will be operated in strict compliance with the requirements of the License Agreement, and Management Company will observe fully and be bound by all terms, conditions and restrictions regarding the management and operation of the Project as set forth in the License Agreement, including those related to Licensor Intellectual Property, as if and as though Management Company had executed the License Agreement as "Licensee," provided that Management Company obtains no rights under the terms of the License Agreement, except as specifically set forth herein and the rights granted hereunder do not constitute a license or franchise or sub-license or sub-franchise to Management Company. Management Company will comply with all Applicable Laws in connection with its management of the Project and will obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Project;

c. Licensor may enforce directly against Management Company all terms in the License Agreement regarding Licensor Intellectual Property and the management and operation of the Project during and subsequent to Management Company's tenure as operator of the Project. Licensor may seek and obtain all available legal and equitable remedies from Management Company based on Management Company's failure to comply with the terms of this Management Company Acknowledgment, in addition to any remedies Licensor may obtain from Licensee under the License Agreement;

d. Management Company hereby assigns (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to assign) to Licensor, in perpetuity throughout the world, all rights, title and interest (including the entire copyright and all renewals, reversions and extensions thereof) in and to all modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates. Management Company waives (and will cause each of its employees or independent contractors who contributed to such modifications, derivatives or additions to waive) all rights of "droit moral" or "moral rights of authors" or any similar rights that Management Company (or its employees or independent contractors) may now or hereafter have in the modifications, derivatives or additions to the Licensor Intellectual Property and other aspects of the System proposed by or on behalf of Management Company or its Affiliates and Management Company disclaims any interest in such modifications by virtue of a constructive trust. Management Company agrees to execute (or cause to be executed) and deliver to Licensor any documents and to do any acts that may reasonably be deemed necessary by Licensor to perfect or protect the title in the modifications, derivatives and additions herein conveyed, or intended to be conveyed now or in the future;

e. Any default under the terms of the License Agreement caused wholly or partially by Management Company will constitute a default under the terms of the Management Agreement, for which Licensee may terminate the Management Agreement;

f. Licensee and Management Company will not modify or amend the Management Agreement in such a way as to create a conflict or other inconsistency with the terms of the License Agreement or this Management Company Acknowledgment;

g. Except in extraordinary circumstances, such as theft or fraud on the part of Management Company or a default by Licensee under the License Agreement caused by Management Company for which Licensee needs to promptly remove Management Company from the Project, the Management Agreement will not be terminated or permitted to expire without at least thirty (30) days' prior notice to Licensor;

h. Management Company will perform the day-to-day operations of the Project. Licensor has the right to communicate directly with Management Company, and the managers at the Project regarding day-to-day operations of the Project, provided that Licensor shall not direct Management Company to take, or fail to take, any action that may cause a breach of the Management Agreement or this Management Acknowledgement. Licensor has the right to rely on instructions of Management Company and the managers at the Project as to matters relating to the operation of the Project, and the agreements of such managers are binding on Management Company; and

4. Existence and Power. Each of Management Company and Licensee represents and warrants with respect to itself that (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation, (ii) it has the ability to perform its obligations under this Management Company Acknowledgment and under the Management Agreement, and (iii) it has all necessary power and authority to execute and deliver this Management Company Acknowledgment.

5. Authorization; Contravention.

a. Management Company and Licensee each represents and warrants with respect to itself that the execution and delivery of this Management Company Acknowledgment and the performance by Management Company and Licensee of its respective obligations hereunder and under the Management Agreement: (i) have been duly authorized by all necessary action; (ii) do not require the consent of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any regulation of any governmental body or any decision, ruling, order, or award by which each may be bound or affected, or (c) any agreement, indenture or other instrument to which each is a party; and

b. Management Company represents and warrants to Licensor that: (i) neither Management Company (including any and all of its directors and officers), nor any of its Affiliates or the funding sources for any of the foregoing is a Specially Designated National or Blocked Person (as defined in the License Agreement); (ii) neither Management Company nor any of its Affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government; and (iii) neither Management Company nor any of its Affiliates is acting on behalf of a government of any country that is subject to such an embargo. Management Company further represents and warrants that it is in compliance with any applicable anti-money laundering law and terrorist financing law. Management Company agrees that it will notify Licensor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties of this Section 5.b. incorrect.

6. Controlling Agreement. If there are conflicts between any provision(s) of the License Agreement and this Management Company Acknowledgment on the one hand and the Management Agreement on the other hand, the provision(s) of the License Agreement and this Management Company Acknowledgment will control.

7. No Release. This Management Company Acknowledgment will not release or discharge Licensee from any liability or obligation under the License Agreement, and Licensee will remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the License Agreement.

8. Limited Consent. Licensor's consent to Management Company operating the Project and Licensor's grant to Management Company of the right to operate the Project are personal to Management Company, and this Management Company Acknowledgment is not assignable by Licensee or Management Company. If there is a change in control of Management Company or if Management Company becomes, is acquired by, comes under the control of, or merges with or into a Lodging Competitor, or if there is a material adverse change to the financial status or operational capacity of Management Company, Licensee will promptly notify Licensor of any such change and Management Company will be subject to the consent process under the License Agreement as a new operator of the Project.

9. Defined Terms. Unless specifically defined herein, all capitalized terms used in this Management Company Acknowledgment will have the same meanings set forth in the License Agreement.

10. Governing Law; Venue; Dispute Resolution. The parties agree that this Management Company Acknowledgment shall be subject to the governing law and, for the purpose of resolving any dispute under Section 13 of this Management Company Acknowledgment, the venue provisions set forth in Section 22.1 of the License Agreement.

11. Management Company's Address. Management Company's mailing address is _____. Management Company agrees to provide notice to both Licensee and Licensor if there is any change in Management Company's mailing address.

12. No Third Party Beneficiaries. Nothing in this Management Company Acknowledgment is intended, or will be deemed, to confer any rights or remedies under or by reason of this Management Company Acknowledgment upon any Person other than Licensor, Licensee and their respective Affiliates, successors and assigns.

13. Injunctive Relief. Licensor will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Management Company Acknowledgment for which such relief is an available remedy, the Brand Standards (including, but not limited to, threats or danger to public health or safety) or actual or threatened misuse or misappropriation of the Licensor Intellectual Property or the Licensor Confidential Information. The rights conferred by this Section 13 expressly include, without limitation, Licensor's entitlement to affirmative injunctive, declaratory, and other equitable or judicial relief (including specific performance) for Management Company's failure to operate any portion of the Project in accordance with the applicable Brand Standards, including, without limitation, affirmative relief that any such deficiencies are cured and thereafter meet the Brand Standards.

14. Arbitration. The parties agree that except as otherwise specified in this Management Company Acknowledgment, any Dispute or any other matter concerning any aspect of the relationship of Licensor and Management Company will be finally settled by arbitration according to the arbitration provisions set forth in Section 22.4 of the License Agreement.

15. Miscellaneous. The parties hereby incorporate by reference Sections 22.3 (costs of enforcement), 24.1.A (construction and severability), and 26.2 (multiple counterparts) of the License Agreement.

16. WAIVER OF JURY TRIAL AND PUNITIVE AND EXEMPLARY DAMAGES. THE PARTIES AGREE THAT LICENSEE, MANAGEMENT COMPANY AND LICENSOR EACH HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY AND THE RIGHT TO CLAIM OR RECEIVE SPECIAL, CONSEQUENTIAL, PUNITIVE AND EXEMPLARY DAMAGES IN ANY ARBITRATION, LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH THE COVENANTS, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES SET FORTH HEREIN, THE RELATIONSHIPS OF THE PARTIES HERETO, WHETHER AS "MANAGEMENT COMPANY," "LICENSEE" OR "LICENSOR" OR OTHERWISE, THIS AGREEMENT, OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE FOREGOING.

17. Entire Agreement. This Management Company Acknowledgment, together with the License Agreement and the Management Agreement, including all exhibits, attachments and addenda, and any execution copies executed simultaneously or in connection with, this Management Company Acknowledgment and the License Agreement, contain the entire agreement between the parties as it relates to the Project and the Approved Location as of the date of this Management Company Acknowledgment. This is a fully integrated agreement. No agreement of any kind relating to the matters covered by this Management Company Acknowledgment will be binding upon any party hereto unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of the parties. This Management Company Acknowledgment may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Management Company Acknowledgment by conduct manifesting assent or by electronic signature is not authorized to do so.

[*SIGNATURE BLOCKS APPEAR ON THE FOLLOWING PAGE*]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Management Company Acknowledgment, under seal, as of the date first above written.

LICENSOR:

THE RITZ-CARLTON HOTEL COMPANY, L.L.C.

By: _____ (SEAL)
Name: _____
Title: _____

LICENSEE:

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____ (SEAL)
Name: _____
Title: _____

MANAGEMENT COMPANY:

[MANAGEMENT COMPANY]

By: _____ (SEAL)
Name: _____
Title: _____

EXHIBIT D

FORM OF OPERATING STATEMENT

SEE ATTACHED

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
For Period X, 20XX from X/XX/20XX to X/XX/20XX

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to RC	Comments
Luxury							
3.1.A.ii.a—Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b—Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a—M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b—Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a—Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b—Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a—M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b—Resale Closings in Residential Units					1.0%	—	
Total Luxury	—	—	—			—	
Total MVW	—	—	—			—	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to RC						—	

A Required true-up of YTD royalty fee due to RC based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certificate that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
YTD For Period X, 20XX from X/XX/20XX to X/XX/20XX

	Total Closings	Prespin Closings	Postspin Closings	Commission Earned	Royalty Rate	Amount Due to RC	Comments
Luxury							
3.1.A.ii.a—Developer Closings in Destination Club					2.0%	—	
3.1.A.ii.b—Reacquired Closings in Destination Club					1.0%	—	
3.1.A.iii.a—M&S Agreements in Destination Club					2.0%	—	
3.1.A.iii.b—Resale Closings in Destination Club					1.0%	—	
3.1.B.ii.a—Developer Closings in Residential Units					2.0%	—	
3.1.B.ii.b—Reacquired Closings in Residential Units					1.0%	—	
3.1.B.iii.a—M&S Agreements in Residential Units					2.0%	—	
3.1.B.iii.b—Resale Closings in Residential Units					1.0%	—	
Total Luxury	—	—	—			—	
Total MVW	—	—	—			—	
Adjustment from YTD calculation							See comment A
Final MVW Amount Due to RC						—	

A Required true-up of YTD royalty fee due to RC based on closings that were not included in previous period report totals.

MVW, to the best of our knowledge, certificate that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Property and Built Unit Counts
For Quarter X, 2011 from X/XX/20XX to X/XX/20XX

	Beginning of Quarter	Changes	End of Quarter
Property Count			
Luxury			
Total Property Count	—	—	—
Built Units			
Luxury			
Total Built Units	—	—	—

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
For Period X, 20XX from X/XX/20XX to X/XX/20XX

	NATO	Luxury	Europe	Asia Pacific	Tolat MVW	Comments
Destination Club Closings						
3.1.A.ii.a—Developer Closings in Destination Club						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.A.ii.a—Developer Closings in Destination Club	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1. A.ii.B—Reacquired Closings in Destination Club						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.A.ii.B—Reacquired Closings in Destination Club	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.A.iii.a—M&S Agreements in Destination Club						
Luxury Distribution 1						
3.1.A.iii.a—M&S Agreements in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.A.iii.b—Resale Closings in Destination Club						
Luxury Distribution 1						
3.1.A.iii.b—Resale Closings in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Destination Club Closings	—	—	—	—	—	
Residential Unit Closings						
3.1.B.ii.a—Developer Closings In Residential Units						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.B.ii.a—Developer Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.B.ii.B—Reacquired Closings in Residential Units						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.B.ii.B—Reacquired Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.B.iii.a—M&S Agreements in Residential Units						
Luxury Distribution 1						
3.1.B.iii.a—M&S Agreements in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.B.iii.b—Resale Closings in Residential Units						
Luxury Distribution 1						
3.1.B.iii.b—Resale Closings in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Residential Unit Closings	—	—	—	—	—	
Total Royalty Fee to be Paid-PTD	—	—	—	—	—	
Add YTD true up if necessary						See comment A
Final Period Royalty Fee to be Paid- PTD	—	—	—	—	—	

A Required true-up of YTD royalty fee due to RC based on closings that were not Included in previous period report totals.

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
For Period X, 20XX from X/XX/20XX to X/XX/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
B Breakdown of total period closing to pre- and post-spin totals				Total MVW Closings		
				MVW Closings on pre-spin contract sales		
				MVW Closings on post-spin contract sales		Ties to reference C
C Validation of post-spin closing by royalty category				Closings (3.1.A.ii.a)	—	
				Closings (3.1.A.ii.b)	—	
				Closings (3.1.A.iii.a)	—	
				Closings (3.1.A.iii.b)	—	
				Closings (3.1.B.ii.a)	—	
				Closings (3.1.B.ii.b)	—	
				Closings (3.1.B.iii.a)	—	
				Closings (3.1.B.iii.b)	—	
				Total	—	Ties to reference B
				Check	—	

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
YTD For Period X, 20XX from X/XX/20XX to X/XX/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
Destination Club Closings						
3.1.A.ii.a—Developer Closings in Destination Club						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.A.ii.a—Developer Closings In Destination Club	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.A.ii.B—Reacquired Closings in Destination Club						
Luxury Distribution 1					—	
Luxury Distribution 2					—	
3.1.A.ii.B—Reacquired Closings in Destination Club	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.A.iii.a—M&S Agreement in Destination Club						
Luxury Distribution 1						
3.1.A.iii.a—M&S Agreements in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.A.iii.b—Resale Closings in Destination Club						
Luxury Distribution 1						
3.1.A.iii.b—Resale Closings in Destination Club	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 1% of MVW commission earned	—	—	—	—	—	
Total Royalty Due on Destination Club Closings	—	—	—	—	—	
Residential Unit Closings						
3.1.B.ii.a— Developer Closings in Residential Units						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.B.ii.a— Developer Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 2%	—	—	—	—	—	
3.1.B.ii.B—Reacquired Closings in Residential Units						
Luxury Distribution 1						
Luxury Distribution 2						
3.1.B.ii.B—Reacquired Closings in Residential Units	—	—	—	—	—	
Royalty due at @ 1%	—	—	—	—	—	
3.1.B.iii.a—M&S Agreements in Residential Units						
Luxury Distribution 1						
3.1.B.iii.a—M&S Agreements in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at 2% of MVW commission earned	—	—	—	—	—	
3.1.B.iii.b—Resale Closings in Residential Units						
Luxury Distribution 1						
3.1.B.iii.b—Resale Closings in Residential Units	—	—	—	—	—	
Total MVW commission earned	—	—	—	—	—	
Royalty due at l% of MVW commission earned	—	—	—	—	—	
Total Royally Due on Residential Unit Closings	—	—	—	—	—	
Total Royalty Fee to be Paid-YTD	—	—	—	—	—	
True up check:						
Total Royalty Fee- YTD per Period 8 report Current Period 9 Royalty Fee						
Total						

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
YTD For Period X, 20XX from X/XX/20XX to X/XX/20XX

	NATO	Luxury	Europe	Asia Pacific	Total MVW	Comments
YTD true up	—	—	—	—	—	See Comments A

A Required true-up of YTD royalty fee due to RC based on closings that were not included in previous period report totals.

B Breakdown of total period closing to pre- and post-spin totals	Total MVW Closings	
	MVW Closings on pre-spin contract sales	
	MVW Closings on post-spin contract sales	Ties to reference C

C Validation of post-spin closing by royalty category	Closings (3.1.A.ii.a)	—
	Closings (3.1.A.ii.b)	—
	Closings (3.1.A.iii.a)	—
	Closings (3.1.A.iii.b)	—
	Closings (3.1.B.ii.a)	—
	Closings (3.l.B.ii.b)	—
	Closings (3.1.B.iii.a)	—
	Closings (3.1.B.iii.b)	—
	Total	— Ties to Reference B
	Check	—

MVW, to the best of our knowledge, certifies that the data represented in this document is free of errors and misrepresentations.

VP and Controller, MVW

EXHIBIT E

AFFILIATE SUBLICENSE AGREEMENT

THIS AFFILIATE SUBLICENSE AGREEMENT (this **"Sublicense Agreement"**) is entered into this _____ day of _____, 2____, (**"Effective Date"**) by and between Marriott Vacations Worldwide Corporation, a Delaware corporation (**"MVWC"**) and _____, a _____ and an Affiliate of MVWC (**"Sublicensee"**).

RECITALS

A. MVWC is the licensee under that certain License, Services And Development Agreement dated effective November 19, 2011 with The Ritz-Carlton Hotel Company, L.L.C., a Delaware limited liability company (**"Licensor"**), a true and correct copy of which has been provided to Sublicensee (the **"Ritz-Carlton License"**). Each initially capitalized term which is not defined in this Sublicense Agreement shall have the meaning given to such term in the Ritz-Carlton License.

B. Under the Ritz-Carlton License and subject to the terms and conditions thereof, including, without limitation, all reservations of rights and limitations on exclusivity set forth therein, MVWC has been granted a license to use the Licensed Marks and the System to operate the Ritz-Carlton Destination Club Business and the Ritz-Carlton Whole Ownership Residential Business within the Territory.

[Use the following Recitals C. and D. for New Project development]

C. MVWC is permitted to delegate the authority to develop New Projects to MVWC Affiliates pursuant to Section 5.2.D. of the Ritz-Carlton License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to develop the New Project described in Exhibit A to this Sublicense Agreement (the **"Project"**).

[Use the following Recitals C. and D. for Existing/New Project operation]

C. MVWC is permitted to delegate the authority to operate Existing Projects and New Projects to MVWC Affiliates pursuant to Section 5.1.C. and 5.2.D. of the Ritz-Carlton License and in accordance with the terms and conditions of this Sublicense Agreement.

D. MVWC has delegated to Sublicensee the authority to operate the Project(s) described in Exhibit A to this Sublicense Agreement (the **"Project(s)"**).

[Use the following Recitals C. and D. for Sales and Marketing]

C. MVWC is permitted to delegate certain non-management functions involving regional and/or local sales and marketing of Ritz-Carlton Destination Club Products and Residential Units for Ritz-Carlton Residential Projects to any Affiliate pursuant to Section 5.8.B. of the Ritz-Carlton License and, where, in Licensor's judgment, it is required to fulfill such functions, to sublicense to such Affiliate the right to use the Licensed Marks and the System.

D. MVWC has delegated to Sublicensee the sales and marketing functions described in Exhibit A to this Sublicense Agreement (**"Sales and Marketing Services"**) and in connection therewith is willing to sublicense to Sublicensee the right to use the Licensed Marks and System in accordance with the terms of this Sublicense Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Sublicense Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Licensee and Sublicensee agree as follows:

1. RIGHTS GRANTED.

[Use the following paragraph 1 for New Project development]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of developing the Project identified on Exhibit A.

[Use the following paragraph 1 for Existing/New Project operation]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of operating the Project(s) identified on Exhibit A.

[Use the following paragraph 1 for Sales and Marketing]

MVWC hereby grants to Sublicensee a non-exclusive license to use the Licensed Marks and the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Sales and Marketing Services within the territor(y)(ies) identified on Exhibit B.

2. RITZ-CARLTON LICENSE.

This Sublicense Agreement is subject and subordinate to the Ritz-Carlton License. Except as may be inconsistent with the terms and provisions hereof, the terms and provisions of the Ritz-Carlton License shall be applicable to this Sublicense Agreement and shall be incorporated into this Sublicense Agreement as if MVWC was the licensor and Sublicensee was the licensee under the Ritz-Carlton License [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**. Sublicensee acknowledges and agrees that, [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]**, it is bound by the same responsibilities, limitations, and duties of the licensee under the Ritz-Carlton License and that such responsibilities, limitations, and duties are hereby incorporated in this Sublicense Agreement.

3. REPRESENTATIONS AND WARRANTIES.

Sublicensee represents and warrants that it satisfies the definition of "Affiliate" under the Ritz-Carlton License.

4. TERM AND TERMINATION.

[Use the following paragraph 4.A. for New Project development]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to develop the Project expires or terminates, (ii) the date on which the Project is Deflagged, or (iii) the termination or expiration of the Ritz-Carlton License.

[Use the following paragraph 4.A. for Existing/New Project operation]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to operate the Project, or, if this Sublicense Agreement covers more than one (1) Project, all of the Projects, expires or terminates, (ii) the date on which the Project is, or, if this Sublicense Agreement covers more than one (1) Project, all of the Projects are, Deflagged, or (iii) the termination or expiration of the Ritz-Carlton License. If this Sublicense Agreement covers more than one (1) Project and any (but not all) of those Projects are Deflagged or Sublicensee's authority to operate any such Project expires or is terminated, Exhibit A shall be amended to delete the affected Project(s), and Sublicensee shall no longer have the right to use the Licensed Marks or System in connection with the operation of such Project(s).

[Use the following paragraph 4.A. for Sales and Marketing]

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Sales and Marketing Services expires or terminates, or (ii) the termination or expiration of the Ritz-Carlton License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

5. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall revert to MVWC or Licensor , and Sublicensee shall immediately cease all use of the Licensed Marks and System.

6. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not Transfer this Sublicense Agreement or any interest herein or any Ownership Interest in Sublicensee without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted Transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may Transfer this Sublicense Agreement in accordance with the terms of the Ritz-Carlton License.

7. MISCELLANEOUS.

A. This Sublicense Agreement, including the Recitals, contains the entire agreement between the parties concerning the sublicensed rights and may not be modified without the prior written consent of both parties and, except to the extent required by Applicable Law, without Licensor's prior written approval. In the event of a conflict between this Sublicense Agreement and the Ritz-Carlton License, the Ritz-Carlton License shall control.

B. This Sublicense Agreement does not constitute and shall not be construed as constituting a partnership, joint venture, agency or employment relationship, or any relationship other than that of licensor and licensee or sublicensee.

C. The language of this Sublicense Agreement shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against any of the parties. Headings of paragraphs herein are for convenience of reference only and are without substantive significance.

D. Sublicensee acknowledges that the rights and powers retained by Licensor under the Ritz-Carlton License are necessary to protect Licensor's intellectual property rights, and specifically, to conserve the goodwill and good name of Licensor's products and company and the name "Ritz-Carlton". Sublicensee therefore agrees that Sublicensee will not allow the same to become involved in matters which will, or could, detract from or impugn the public acceptance and popularity thereof, or impair their legal status.

E. MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its Affiliates are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its Affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its Affiliates are not liable for and do not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor or its Affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) [with respect to the Project(s)] **[In Sales and Marketing agreement, substitute "with respect to the Sales and Marketing Services"]** are primary obligations; (ii) that Licensor and its Affiliates may pursue Sublicensee directly to enforce such obligations, and (iii) that Licensor and its Affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Ritz-Carlton License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

F. The respective obligations of the parties under this Sublicense Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Sublicense Agreement, including but not limited to the provisions of Paragraph 4, shall survive termination, cancellation or expiration of this Sublicense Agreement.

G. Sublicensee agrees that this Sublicense Agreement shall be subject to the governing law and dispute resolution provisions set forth in the Ritz-Carlton License.

IN WITNESS WHEREOF, the parties have executed this Sublicense Agreement as of the date first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____
Name: _____
Title: _____

SUBLICENSEE:

_____

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF PROJECT(S)
[In Sales and Marketing agreement, substitute “SALES AND MARKETING SERVICES” for “DESCRIPTION OF PROJECT(S)”]

Exhibit A to Exhibit E - Solo Page

[Use with Sales and Marketing Agreement]

EXHIBIT B

SALES AND MARKETING SERVICES TERRITOR(Y)(IES)

Exhibit B to Exhibit E - Solo Page

EXHIBIT F

PROVISIONS TO BE INCLUDED IN SUBLICENSE AGREEMENT WITH NON-AFFILIATES FOR SALES, MARKETING AND RELATED SERVICES

1. RIGHTS GRANTED.

Marriott Vacations Worldwide Corporation ("MVWC") hereby grants to Sublicensee a non-exclusive license to use the Licensed Mark(s) identified on Exhibit [__] hereto and relevant aspects of the System, during the Term (defined below) of this Sublicense Agreement, for the sole purpose of performing the Services.

2. USE AND OWNERSHIP OF LICENSED MARKS; QUALITY CONTROL.

A. All use of the Licensed Marks by Sublicensee under this Sublicense Agreement shall inure to the benefit of The Ritz-Carlton Hotel Company, L.L.C. ("Licensor") and its affiliates. Licensor reserves the right to use and grant to others the right to use all or part of the Licensed Marks, as may be applicable, in connection with goods and services offered by Licensor, any of its affiliates or others.

B. Nothing herein shall be construed to grant Sublicensee any right whatsoever to use (except as provided herein) or license others to use the Licensed Marks or any names, marks, logos, commercial symbols, or indicia of origin owned by Licensor or its affiliates.

C. Sublicensee covenants and agrees that in no event will any employees, contractors, or agents of Sublicensee or others retained by Sublicensee in connection with its provision of the Services, identify themselves as employees of, or as representing or speaking or acting for Licensor.

D. Sublicensee recognizes that Licensor and its affiliates are the sole and exclusive owners of all right, title and interest of every kind and nature, whether by statute or common law, in law or equity, which attach, inure, subsist or exist in the Licensed Marks, including specifically the Licensed Marks and all goodwill associated with the Licensed Marks.

E. Sublicensee agrees that it will not during the term of this Sublicense Agreement or thereafter (i) contest the ownership rights or any other rights of Licensor or its affiliates in and to the Licensed Marks, contest the validity of the Licensed Marks or do anything either by an act of omission or commission which might impair, jeopardize, violate, infringe or dilute the Licensed Marks; (ii) claim adversely to Licensor, its affiliates or anyone claiming through Licensor any right, title, or interest in and to the Licensed Marks; (iii) use the Licensed Marks other than in the manner provided for in this Sublicense Agreement; (iv) misuse or harm or bring into dispute the Licensed Marks; (v) register or apply to register in any country of the world the Licensed Marks or any other mark which is, in Licensor's reasonable opinion, the same as or confusingly similar to the Licensed Marks for the benefit of Sublicensee or any other person or entity, directly or indirectly; (vi) use any other mark which in Licensor's opinion is confusingly similar to the Licensed Marks; or (vii) use any of the Licensed Marks in its corporate name or trade name or seek to register any corporate name or trade name containing any of the Licensed Marks.

F. Sublicensee agrees to cooperate fully and in good faith with Licensor and its affiliates for the purpose of securing and preserving the rights of Licensor and its affiliates in and to the Licensed Marks by executing all documents and taking all other acts reasonably necessary to record, register, or otherwise acknowledge the existence of this sublicense or the rights granted to Sublicensee hereunder to use the Licensed Marks and by providing such consents, cooperation, and other assistance as Licensor may reasonably request to perfect, defend, and protect Licensor's and its affiliates' ownership of the Licensed Marks. **[If there is an expense associated with this section, the relevant terms of the License Agreement between Licensor and MVWC will govern which bears the expense, as between Licensor and MVWC.]**

G. Sublicensee shall promptly notify MVWC of any objection to its use of the Licensed Marks or any unauthorized use or attempted use, by any other person, firm or entity, of the Licensed Marks or any variations similar thereto, of which it is aware. In the event Licensor undertakes the prosecution of any litigation relating to the Licensed Marks, Sublicensee shall execute any and all documents and do such acts and things as Licensor may reasonably request in connection with such defense or prosecution.

H. Any act or omission which purports to create an interest in the Licensed Marks in favor of Sublicensee, directly or indirectly, shall be considered a material breach of this Sublicense Agreement and grounds for its immediate termination, including restitution for any damage incurred. Any application or registration by or on behalf of Sublicensee or its affiliates made in contravention of the terms and conditions of this Sublicense Agreement which would create in Sublicensee or any of its affiliates any right or interest, or the appearance of any right or interest, with respect to the Licensed Marks, shall be deemed to at all times to have been made solely and exclusively for the benefit of Licensor or its affiliates, and Sublicensee and its affiliates jointly and severally, do unconditionally and irrevocably assign to Licensor any and all right, title, or interest that it may have or appear to have with respect to the Licensed Marks.

I. Sublicensee shall at all times conduct its sales and marketing activities in a high quality, professional and courteous manner so as not to dilute or damage the image and reputation of high quality service symbolized by the Licensed Marks. Sublicensee shall immediately cease any marketing or promotional activity or practice that MVWC or Licensor determines is not in keeping with the foregoing standards or otherwise not in accordance with the provisions of this Sublicense Agreement.

3. CONFIDENTIALITY.

During the course of its engagement under this Sublicense Agreement, Sublicensee may have access to Licensor Confidential Information (as defined in the Ritz-Carlton License). Sublicensee will not, during the term hereof or thereafter, without Licensor's prior consent, which consent may be granted or withheld in Licensor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" person or entity any Licensor Confidential Information or use the Licensor Confidential Information in any manner not expressly authorized by this Sublicense Agreement. Sublicensee may divulge such Licensor Confidential Information only to such of Sublicensee's employees or agents as require access to it in order to provide the Services under this Sublicense Agreement, and only if such employees or agents are apprised of the confidential nature of such information before it is divulged to them and they are bound by confidentiality obligations substantially similar to those listed above. All other persons or entities are "unauthorized" for purposes of this Sublicense Agreement. Sublicensee agrees that the Licensor Confidential Information has commercial value and that Licensor and its affiliates have taken commercially reasonable measures to maintain its confidentiality, and, as such, the Licensor Confidential Information is proprietary and a trade secret of Licensor and its affiliates. Licensee will be liable to Licensor for any breaches of the confidentiality obligations in this Paragraph 3. by its employees and agents. Licensee will maintain the Licensor Confidential Information in a safe and secure location and will immediately report to Licensor and MVWC the theft or loss of all or any part of the Licensor Confidential Information.

4. INSURANCE AND INDEMNIFICATION.

A. All insurance policies obtained or maintained by Sublicensee will by endorsement specifically name as additional insureds Licensor, any affiliate of Licensor designated by Licensor, and their employees.

B. Sublicensee will, and hereby does, indemnify and, at Licensor's option, defend Licensor and its affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against any and all damages, claims, demands, suits, judgments, losses, or expenses (including attorneys' fees and litigation costs) of any nature whatsoever (including, but not limited to, libel, slander, disparagement, defamation, copyright infringement, trademark infringement, patent infringement, trade secret infringement,

invasion of privacy or publicity rights, piracy and/or plagiarism arising from or related to any materials prepared by Sublicensee in connection with the provision of the Services under this Sublicense Agreement, violation of consumer protection rules, or any offerings of Sublicensee not consistent with this Sublicense Agreement or applicable law), arising directly or indirectly from or out of: (i) any act, error or omission of Sublicensee or its directors, invitees or employees, agents, or contractors; and/or (ii) any occupational injury or illness sustained by any employees, agents, or contractors of Sublicensee in furtherance of the Services hereunder; and/or (iii) any failure of Sublicensee to perform the Services hereunder in accordance with the highest generally accepted professional standards; and/or (iv) any breach of Sublicensee's representations as set forth herein or in any other agreement related to the provision of the Services; and/or (v) any other failure of Sublicensee to comply with the obligation on its part to be performed hereunder or in any other agreement related to the provision of the Services. The indemnification contained herein shall extend to claims occurring after this Sublicense Agreement has terminated as well as while this Sublicense Agreement is in force.

5. TERM AND TERMINATION.

A. The Term of this Sublicense Agreement begins on the Effective Date and expires on the earlier of (i) the date on which Sublicensee's authority to perform the Services expires or terminates or (ii) the termination or expiration of the Ritz-Carlton License.

B. MVWC shall have the right to terminate this Sublicense Agreement immediately upon written notice to Sublicensee in the event of Sublicensee's material breach of this Sublicense Agreement.

6. RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION.

Upon the expiration or termination of this Sublicense Agreement, all rights herein granted to Sublicensee shall end, and Sublicensee shall immediately cease all use of the Licensed Marks and System.

7. ASSIGNMENT.

A. This Sublicense Agreement is personal to Sublicensee, and Sublicensee may not sell, assign or otherwise transfer this Sublicense Agreement or any interest herein or any ownership interest in Sublicensee, or delegate any of its obligations hereunder, without MVWC's prior written consent, which MVWC may grant or withhold in its sole discretion. Any such attempted transfer shall be void and shall constitute a material breach of this Sublicense Agreement.

B. MVWC may sell, assign or otherwise transfer this Sublicense Agreement in accordance with the terms of the Ritz-Carlton License.

8. LICENSOR AS THIRD-PARTY BENEFICIARY.

MVWC and Sublicensee agree that to the extent permitted under Applicable Law, Licensor and its affiliate are third party beneficiaries of this Sublicense Agreement, and it is intended by MVWC and Sublicensee that Licensor and its affiliates will be entitled to enforce this Sublicense Agreement. MVWC and Sublicensee further agree that Licensor and its affiliates are not liable for and does not assume any duties, obligations or liabilities under this Sublicense Agreement unless agreed to in writing by Licensor and its affiliates, as applicable. Sublicensee acknowledges and agrees that (i) its obligations hereunder (including payment obligations) with respect to the Services are primary obligations; (ii) that Licensor and its affiliates may pursue Sublicensee directly to enforce the such obligations, and (iii) that Licensor and its affiliates are not required to proceed against MVWC or any Guarantor (as defined in the Ritz-Carlton License) before proceeding against Sublicensee with respect to the enforcement of such obligations.

EXHIBIT G

DESIGN REVIEW ADDENDUM

This Design Review Addendum ("**Addendum**") is a part of and is incorporated into that certain License, Services, and Development Agreement dated effective November 19, 2011 (hereinafter referred to as the "**License Agreement**") by and between The Ritz-Carlton Hotel Company, L.L.C. ("**Licensor**"), and Marriott Vacations Worldwide Corporation ("**Licensee**").

RECITALS

A. Pursuant to the terms of the License Agreement, Licensee has been granted a license to operate the Destination Club Business and Whole Ownership Residential Business by developing, selling, marketing, operating and financing Destination Club Projects and Residential Projects (each, a "**Project**"); and

B. Licensee and Licensor intend for each New Project and the refurbishment, or renovation of Existing Projects, to be designed, constructed, renovated and refurbished in accordance with the Design Standards and the review process described in this Addendum; and

C. Licensee desires to engage Licensor to provide certain review services during the planning, development and operation phases of Projects for the purpose of assuring compliance with the Design Standards, and Licensor desires to provide such services to Licensee upon the terms set forth in this Addendum.

NOW, THEREFORE, Licensee and Licensor, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1

DEFINITIONS AND GENERAL MATTERS

1.1 Definitions. All capitalized terms not defined in this Addendum shall have the meanings ascribed to them in the License Agreement, which is incorporated herein by this reference. In this Addendum, the following terms have the following meanings:

"Addendum" shall mean this Design Review Addendum, including the exhibits attached hereto, as it may be amended, restated or supplemented from time to time.

"Audio/Visual Systems" shall include, but not be limited to, the following systems: general audio and visual systems, entertainment audio/video systems and video information systems.

"Decorative Items" shall include, but not be limited to, artifacts, artwork, carpeting, decorative lighting fixtures, etched glass, furniture, graphics, interior landscaping, radios, televisions and window treatments.

"Design Standards" shall mean the Ritz-Carlton Destination Club Design Standards (modules) which may be updated and amended on a periodic basis in accordance with the terms of the License Agreement.

"Project Request Date" shall mean the date upon which Licensee provides Licensor a Project Approval Request for a particular Project.

"Existing Project" shall mean a Project that has received Licensor's approval prior to the Project Request Date. A "New Project" will become an "Existing Project" for purposes of the reviews required by this Addendum upon receipt of final approval from Licensor for the opening thereof. Existing Projects shall not include any Project that has ceased to be a Licensed Project.

"Facilities Program" shall have the meaning ascribed to it in Section 2.1.2.

"FF&E" shall mean furniture, fixtures and equipment, including without limitation: Decorative Items; Audio/Visual Systems; in-unit kitchen appliances, refrigerators and minibars; cabinetry; computer equipment; Food/Kitchen Equipment; Laundry Equipment; Housekeeping Equipment; Telecommunications Systems; and Security Systems.

"Fixed Asset Supplies" shall mean items included within "Operating Equipment" under the Uniform System of Accounts that may be consumed in the operation of the Project or are not capitalized including, but not limited to, linen, china, glassware, tableware, uniforms and similar items used in the operation of the Project.

"Food/Kitchen Equipment" shall include, but not be limited to, all food preparation, cooking and holding equipment; exhaust hoods and hood fire protection systems; general storage layout, refrigerators and freezers (including coils, condensers and compressors); ice-making, beverage dispensing and other food and beverage equipment; dishwashing equipment (except any glass washer included in Housekeeping Equipment); and similar items used in the food and beverage service operation of the Project.

"Housekeeping Equipment" shall mean equipment items to be used by Project employees for cleaning the Project on a regular basis.

"Inventories" shall mean "Inventories" as defined in the Uniform System of Accounts, such as, but not limited to, provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

"Laundry Equipment" shall mean washers, washer/extractors, dryers, chest-type ironers, steam boiler, thermal fluid heater for ironer, lint control devices, linen folders, linen carts, dry cleaning equipment (if required), laundry sinks, air compressors, laundry scales and similar items used in the laundry operation of the Project.

"Licensee" shall have the meaning ascribed to it in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"License Agreement" shall have the meaning ascribed to it in the preamble to this Addendum, as such agreement may be amended, restated or supplemented from time to time.

"Licensor" shall have the meaning set forth in the preamble to this Addendum or shall mean any successor or permitted assign, as applicable.

"Model Unit" shall have the meaning ascribed to it in Section 2.4.2.

"Opening Date" shall mean the first (1st) day on which a Project (or phase thereof) is open for overnight accommodation for owners and guests.

"Plans" shall have the meaning ascribed to it in Section 2.3.1.

"Project" shall have the meaning ascribed to it in the Recitals.

"Project Approval Request" shall have the meaning ascribed to it in Section 1.2.

"Project Related Areas" shall mean all facilities that are part of the Project, but outside the Project, which: (i) connect to or are directly accessible to the Project; (ii) provide services to the Project; and/or (iii) would normally be incorporated as part of a free-standing project.

"Project Systems" shall include, but not be limited to, software, hardware, cabling and all other items necessary for a computer; Audio/Visual Systems; management systems; front office, back office and accounting management systems; sales and reservations systems; timekeeping and payroll systems; point-of-sale systems, including food, beverage and retail functions; food and beverage inventory systems; engineering software; and word processing and other personal computer applications.

"Refurbishment Review Waiver Request" shall mean a request by Licensee for Licensor to waive the requirements of Article 3 due to the scope of the refurbishment activities planned for a particular Project. Refurbishment Review Waiver Requests shall be delivered to Licensor in writing and provide sufficient detail regarding the activities and Project scope for which Licensee is seeking a waiver. The intent behind this mechanism is to permit minor renovations and refurbishments to occur without the cost and time associated with the review process outlined in Article 3.

"Security Systems" shall mean video surveillance equipment; two-way radio systems; inspection tour recording systems; security alarm systems; access control systems (pedestrian and vehicular); and other special security systems required for the Project.

"Site" shall mean the parcel of land upon which the Project is located.

"Substantial Completion" shall mean: (i) substantial completion of the Project in conformance, in all material respects, with the Plans, Design Standards and the requirements of this Addendum (other than minor punchlist items, which will not individually or in the aggregate impair the use of the Project for its intended use, or impair the Project owners' and guests' experience); (ii) the provision of all Fixed Asset Supplies and Inventories and installation of the FF&E and Project Systems as required for the operation of the Project; provided, however, that if Licensee contracts with Licensor or an affiliate of Licensor to procure FF&E and/or Fixed Asset Supplies required for the operation of the Project, and Licensor or such affiliate is in default under the terms of such procurement contract, such FF&E and/or Fixed Asset Supplies shall not be required for Substantial Completion of the Project; and (iii) Licensee has obtained required permits as set forth in Section 2.4.4 necessary for the opening of the Project.

"Technical Services Fee" shall have the meaning ascribed to it in Article 5.

"Telecommunications Systems" shall mean PBX, phone systems, call accounting and pocket paging systems, and high-speed Internet access.

"Termination" shall mean the expiration or sooner cessation of this Addendum.

"Variance Notice" shall mean a separate written statement provided by Licensee to Licensor concurrently with Licensee's submittals to Licensor pursuant to Article 2 and Article 3, which statement shall detail all variances from the Plans or Design Standards contained in the relevant submittal. The Variance Notice shall also include a description of the rationale for the variance from the Design Standards.

1.2 Initiating the Review of a Project. To initiate Licensor's review of work to be performed in connection with a New Project or Existing Project, Licensee shall submit to Licensor a memorandum describing the overall scope of the Project along with a detailed description of the new construction, renovation or refurbishment work for which Licensee is seeking approval from Licensor (the "**Project Approval Request**"). The Project Approval Request should provide specific contact information for a representative of Licensee through whom Licensor may coordinate activities pursuant to this Addendum, provide a narrative of the work contemplated to be performed, a description of the Site, identify the Project as a New Project or an Existing Project, and include a preliminary schedule for the work to be performed. Unless an alternative date is agreed upon by the parties, within fifteen (15) days of receipt of the Project Approval Request, representatives of Licensee and Licensor shall hold a "kick-off meeting" to discuss the details surrounding the Project, the scope of services to be provided by Licensor (e.g., shared services, on site management, integration with adjoining resort) and other items the parties deem relevant. Unless an alternative location is mutually agreed upon by the parties, the kick-off meeting shall be held at the corporate headquarters of Licensor in Chevy Chase, Maryland. The date upon which the Project Approval Request is submitted to Licensor shall be considered the "Project Request Date" for the subject Project.

1.3 Review of Projects and Scope of Addendum. It is acknowledged that the terms of this Addendum shall apply to a variety of project types and undertakings, each one of which will be categorized as a New Project or an Existing Project for purposes of review for compliance with the Design Standards. The category of the Project will determine the process for review necessary to obtain the approval of Licensor. New Projects may include new construction (ground-up), the addition of a phase at an Existing Resort (which has not been previously approved by Licensor), or the conversion of a previously existing property to a Project. New Projects undergo a thorough review in accordance with Article 2 of this Addendum to assure they comply with the Design Standards. Existing Projects routinely go through renovations and refurbishment processes which require an abbreviated review of the undertakings as described in Article 3 of this Addendum.

1.4 Licensee Representative and Approval of Consultants. As soon as reasonably possible after the Project Request Date, but in no event later than thirty (30) days thereafter, Licensee shall provide Licensor with the names and other information reasonably requested by Licensor related to the Licensee's architect, interior designers and other consultants providing services to the subject Project.

ARTICLE 2

TECHNICAL SERVICES FOR NEW PROJECTS

2.1 New Project Conceptual and Schematic Design Phase

2.1.1 Preliminary Information. Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team, along with other information describing the standards that Licensor requires for the Project and Project Related Areas, as appropriate for the Project. All Plans for the Project shall incorporate the parameters described in the Design Standards.

2.1.2 Schematic Design Phase. Based upon, and incorporating the information provided in the materials described in Section 2.1.1 and the kick-off meeting described in Section 1.2, Licensee shall prepare or cause to be prepared and submitted to Licensor for approval: (i) a facilities program ("**Facilities Program**") describing the space requirements for all areas of the Project and the Project Related Areas (e.g., public spaces, kitchen, laundry, back office, etc.); (ii) a listing of each operating function of the Project and the as-designed areas, and other documents reasonably necessary to represent the size, layout and quality of the Project; (iii) a colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers; (iv) a site plan showing all site elements and proposed landscaping; (v) floor plans, showing all spaces listed in the Facilities Program; (vi) unit layouts, indicating all bath fixtures, in-unit kitchen equipment (if applicable), closets, balconies and other major features; (vii) building elevations and sections, showing exterior materials, details and colors; (viii) a rendered perspective drawing of the Project; and (ix) a sample board showing the proposed exterior materials. Such materials may also include a rendering and preliminary architectural plans of the Project Related Areas, as reasonably requested by Licensor, and a Variance Notice, if applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design submittal shall be made by Licensee's representatives in Chevy Chase, Maryland at the corporate headquarters of Licensor. Licensee will revise and amend the schematic design submittals as may be necessary to obtain Licensor's approval.

2.2 New Project Design Development Phase

2.2.1 Design Development Phase. Licensee shall, based upon incorporating the approvals described in Section 2.1.2, prepare or cause to be prepared in accordance with the Design Standards a design development submittal which may include the following: (i) a Project description and as-designed space utilization program; (ii) development plans and specifications for the Project, Site and related facilities; (iii) interior designer's plans, furniture layouts, reflected ceiling plans, interior elevations, wall sections, materials, lighting and color schemes; (iv) interior designer's and mechanical engineer's coordinated design of HVAC distribution; (v) interior designer's and electrical engineer's coordination of lighting and emergency lighting and alarm systems; (vi) a review of lighting layouts for such areas including specific fixture selection and recommendations on and specifications of dimmer equipment; and (vii) engineering drawings indicating locations and sizes of necessary mechanical connections for Food/Kitchen Equipment, Housekeeping Equipment and Laundry Equipment. All such plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval.

2.2.2 Interior Design. Prior to submission, or as part of the plans submitted pursuant to Section 2.2.1, Licensee shall submit to Licensor for review and approval: (i) interior design plans, including floor plans, reflected ceiling plans, elevations, sections and renderings that are reasonably necessary to adequately explain the design intent of the Project's public spaces (which, upon approval, shall become part of the Plans); (ii) display boards of fabrics, carpets, furnishings, finishes, paints, lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.) and other materials for each Project space designated by Licensor; and (iii) a Variance Notice, if applicable. Upon request of Licensor and agreement by the parties of the date and location of such presentation, Licensee shall present these materials to Licensor for approval of the interior design of the Project, and Licensee shall revise and amend such presentation materials as required to obtain final approval of the interior design by Licensor.

2.3 New Project Construction Document Phase

2.3.1 Final Design Phase. Upon Licensor's approval of the items submitted by Licensee pursuant to Section 2.2, and based upon the designs therein approved by Licensor, Licensee shall cause Licensee's architect to produce final plans, specifications and complete construction drawings

(including, without limitation, architectural, electrical, plumbing, HVAC, structural, civil engineering, life safety, and landscape drawings for the Project and Project Related Areas) (collectively, the "**Plans**"), which shall be properly sealed by Licensee's architect. The Plans shall: (i) incorporate the Design Standards into the Project and Project Related Areas; and (ii) incorporate all legal requirements applicable to the design, construction and operation of the Project and the Project Related Areas.

The Plans and a Variance Notice, if applicable, shall be submitted to Licensor for approval at least thirty (30) days prior to commencement of construction of the Project and Project Related Areas., Licensee may submit the Plans at the time they are 30%, 60% and 90% complete for comment and approval by Licensor.

Following Licensor's approval of the Plans, no change in such Plans shall be made that materially affects the design, construction, operation, or aesthetics of the Project or any of the Project Related Areas (as related to the scope of Licensor's approval of such areas), without the prior approval of Licensor.

2.3.2 Systems. In accordance with the approved schedule for the Project, Licensee shall provide to Licensor: (i) general concepts for food and beverage facilities, including without limitation point of sale systems; (ii) the locations of security devices, and their specifications, installation details, power and space requirements; and (iii) the locations and types of Telecommunication Systems.

2.3.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 2.2.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval, documents reasonably describing the Decorative Items to be installed in the Project, and a Variance Notice, if applicable. Such information shall include the description, quantity, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

2.4 New Project Construction Phase

2.4.1 Construction of Project, Observations. Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of construction, Licensee shall cooperate with Licensor for the purpose of permitting Licensor to observe from time to time, the construction of the Project and the Project Related Areas as it proceeds to determine whether construction is proceeding in accordance with the Design Standards and the approved Plans. In particular, Licensor may visit the Site at such intervals as Licensor deems reasonably necessary (which intervals shall include certain milestone events described on **Exhibit A**). Licensee shall give Licensor at least fifteen (15) days' notice prior to each of the events described in Exhibit A in order to enable Licensor to schedule its visit(s). However, the parties agree that despite its right to observe the construction pursuant to this Section 2.4.1, Licensor shall not be obligated to observe the construction of the Project or the Project Related Areas unless otherwise specified on Exhibit A. It is understood and agreed that Licensor is providing no construction management services, and that construction management shall be the sole responsibility of Licensee. To the extent that Licensor reasonably determines and provides notice to Licensee thereof that the Project, or the Project Related Areas, as constructed, furnished or equipped do not conform to the Design Standards confirmed in Section 2.1.1, or to the approved Plans, Licensee shall promptly correct or cause to be corrected such nonconforming work.

2.4.2 Model Units. Prior to construction of the Project, Licensee shall construct a model unit ("**Model Unit**") for review and approval by Licensor, such review and approval to include: (i) compliance with the Design Standards; (ii) the level of fit, finish and quality appearing in the units and the general arrangement of the unit; and (iii) FF&E installed in the Model Unit. Upon receipt by Licensor of written notice from Licensee of completion of the Model Unit, Licensor shall have thirty (30) days in which to review and approve the Model Unit. If Licensor disapproves any portion of any Model Unit, Licensor shall provide detailed written objections and describe the required changes to such Model Unit that would be required to satisfy the Design Standards and obtain the approval of Licensor. Upon receipt by Licensee of written notice from Licensor that the Model Unit has been approved, Licensee shall construct, furnish and equip (or cause to be constructed, furnished and equipped) the Project in accordance with the level of fit, finish and quality appearing in, the general arrangement of, and the FF&E installed in, the approved Model Unit.

2.4.3 Shop Drawings & Submittal Reviews. Licensee shall submit to Licensor, for its approval, shop drawings, product data and samples generated by contractors or vendors (the "Submittals"), in accordance with the list of Submittals attached as **Exhibit B**.

2.4.4 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for construction and operation of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

2.4.5 Documents Upon Completion of Construction. Upon completion of construction of the Project, Licensee shall submit to Licensor: (i) an architect's certification that the Plans comply with all applicable legal requirements and that the Project has been constructed and completed in accordance with the Plans approved by Licensor; and (ii) a copy of the temporary or, if available, permanent certificate of occupancy for the Project. A copy of the permanent certificate of occupancy for the Project should be provided to Licensor by no later than thirty (30) days after receipt by Licensee.

ARTICLE 3

TECHNICAL SERVICES FOR EXISTING PROJECTS

3.1 Existing Project Refurbishment Conceptual and Schematic Design Phases

3.1.1 Preliminary Information. Licensor and Licensee acknowledge that it will become necessary to make certain renovations and undertake certain refurbishments to Existing Projects. Accordingly, Licensor and Licensee shall confirm the then current version of the Design Standards for use by Licensee's design team for the planning and design of such renovation and refurbishment activities. Unless a Refurbishment Review Waiver has been requested by Licensee, and approved by Licensor, all Plans for the renovation and refurbishment of an Existing Project shall incorporate the parameters described in the Design Standards and be evaluated based on the process described in this Article 3. Prior to commencing such renovation or refurbishment activities, representatives of Licensor and Licensee shall meet at the subject Existing Project for an initial review thereof. Licensor representatives shall cooperate with Licensee to agree upon conceptual refurbishment and renovation activities that will comply with the Design Standards.

3.1.2 Schematic Design Phase. Licensee shall, based upon and incorporating the information provided in accordance with Section 3.1.1, prepare or cause to be prepared and present to Licensor for approval, a conceptual design submittal that may include the following: a description of the proposed refurbishment or renovation plans; rendering and preliminary architectural plans; display boards of fabrics, carpets, furnishings, finishes, and paints; lighting design guidelines (e.g., fixtures, chandeliers, sconces, etc.); other materials proposed to be incorporated into the Project; and a Variance Notice, if applicable. Unless an alternative location is mutually agreed upon by the parties, the presentation of the conceptual and schematic design presentation shall be made by Licensee's representatives at the corporate headquarters of Licensor in Chevy Chase, Maryland.

3.1.3 Decorative Items. Upon Licensor's approval of the interior design materials submitted pursuant to Section 3.1.2 and incorporating the information provided to Licensee as set forth above, Licensee shall prepare or cause to be prepared for Licensor's approval documents reasonably describing the Decorative Items to be installed in the Project and the installation locations or details therefor, and a Variance Notice, if applicable. Such information may include the description, quantity, recommended manufacturer and model number, product specification, photograph (when appropriate), installed location and other pertinent information about the Decorative Items.

3.2 Existing Project Refurbishment Construction Phase

3.2.1 Renovation and Refurbishment of Existing Project, Observations. Licensee shall renovate, refurbish, furnish and equip (or cause to be renovated, refurbished, furnished and equipped) the Project and the Project Related Areas in accordance with the Design Standards and the Plans that have been previously approved by Licensor. During the course of such activities, Licensor shall visit the Project to assure compliance with the Design Standards and prior approvals. To the extent that Licensor determines that the Project, or the Project Related Areas, as renovated or refurbished, furnished or equipped do not conform to the Design Standards in place at the time the Project was reviewed by Licensor, Licensor shall promptly notify Licensee of such nonconformity in writing and Licensee shall promptly correct (or cause to be corrected) such nonconforming work.

3.2.2 Permits. Licensee shall be responsible for obtaining (or causing to be obtained) all permits and other approvals required for renovation and refurbishment of the Project, such as the building permit, occupancy permit, elevator permits, occupational licenses, liquor licenses and others for the Project and Project Related Areas.

ARTICLE 4

APPROVALS AND VARIANCES

4.1 Requests for Approval

4.4.1 Requests for Approval. Wherever in this Addendum the consent or approval of Licensor or Licensee is required, such consent or approval unless otherwise noted shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Licensor or Licensee fails to respond within fifteen (15) days to a request by the other party for a consent or approval, the other party shall provide notice to the nonresponsive party of its failure, and such party shall respond within five (5) days or such consent or approval shall be deemed to have been given, except (i) as otherwise expressly provided in this Addendum, or (ii) in the case of consents or approvals that may be granted or withheld in the sole discretion of a party, in which case a failure to respond shall be deemed to be a withholding of consent or approval. Upon obtaining approval from Licensor, Licensee may rely on such approval for purposes of advancing design, renovation, refurbishment and construction activities.

In the event Licensor disapproves a request for approval by Licensee, Licensor shall provide detailed written objections and describe the required changes to such request that are necessary to obtain the approval of Licensor.

4.4.2 Licensor's Approval of Variances. Licensee acknowledges that Licensor will, in its review process, provide comments on the plans and specifications. Such reviews do not relieve Licensee and its consultants of their responsibility with regard to determining the completeness of subsequent documents and compliance with the Design Standards. Licensee acknowledges that an approval by Licensor at any stage does not constitute an approval of a variation in Plans or Design Standards unless a Variance Notice covering the deviation has been properly submitted by Licensee and accepted by Licensor in writing.

4.4.3 Nonconformity. To the extent that Licensor determines that the Project as constructed, renovated or refurbished, furnished or equipped does not conform to the Design Standards agreed to by the parties consistent with this Addendum, or to the approved Plans, Licensor shall provide written notice thereof to Licensee providing a detailed description of such nonconformity. Upon receipt of such notice, Licensee shall promptly (i) correct (or cause to be corrected) such nonconforming work, (ii) commence and diligently pursue a correction to such nonconforming work, or (iii) provide Licensor with adequate assurances that such nonconforming work will be promptly remedied within thirty (30) days after receipt of written notice from Licensor.

ARTICLE 5

TECHNICAL SERVICES FEE

5.1 Technical Services Fee. Licensee shall pay to Licensor a fee for services rendered pursuant to this Addendum in accordance with the schedule of fees attached hereto as **Exhibit C** and incorporated herein by this reference.

ARTICLE 6

OPENING DATE

6.1 Opening Date. The Opening Date shall in no event be earlier than the date on which all of the following have occurred: (i) all licenses, permits, and other approvals and instruments necessary for operation of the Project (or phase thereof) have been obtained, and (ii) on the Opening Date there will be no ongoing construction on any portion of the Project (or phase thereof) that would materially adversely limit, restrict, disturb or interfere with the experience of the Project owners and guests. If, as of the Opening Date, there remain to be completed minor unfinished punchlist items or installation of incidental FF&E and Fixed Asset Supplies in the common areas, lobby, administrative offices or any units to be opened on the Opening Date, none of which preclude Licensee from operating the Project (or phase thereof) in accordance with the Design Standards, the Opening Date shall not be delayed for such reasons; however, Licensee shall be obligated to promptly finish such items pursuant to the requirements of this Addendum.

ARTICLE 7

INSURANCE

7.1 Insurance Required. At all times during the construction of the Project (where a certificate of occupancy has not been issued) during such construction or such later date as indicated below, Licensee shall, at its expense, procure and maintain (or cause its general contractor to procure and maintain) insurance protecting Licensee and Licensor against loss or damage arising out of or in connection with the construction of the Project.

1. Such insurance shall, at minimum include:

(a) Commercial general liability insurance in an amount not less than One Million Dollars ($1,000,000) per each occurrence with a general aggregate limit of not less than Two Million Dollars ($2,000,000). Such insurance shall include, but is not limited to, the following coverages or endorsements:

- Independent Contractors Liability
- For any time-share Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) three (3) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later. If a jurisdiction requires procurement of completed operations coverage or equivalent coverage, then such coverage will be procured as required by applicable law.
- For any residential or fractional Project that is developed or marketed in the United States including United States Territories and for any Project developed or marketed in jurisdictions in which there may be liability for construction defects, Products/Completed Operations Liability (construction defect) to be maintained for (i) ten (10) years after the date of substantial completion of the Project or issuance of a certificate of occupancy for the Project, whichever is later, or (ii) such time frame as may be required to cover the statutory time frame for construction defects in the state or country where the Project is located. If such coverage is provided by the general contractor, evidence of insurance shall be provided for the entire statutory time frame.
- Explosion, Collapse and Underground Coverage

(b) Business auto liability including owned, non-owned and hired vehicles, with combined single limits for bodily injury and property damage in an amount not less than One Million Dollars ($1,000,000) per each occurrence.

(c) Umbrella or excess liability, on a following form, in an amount not less than:

a. Two Million ($2,000,000) Dollars per occurrence for projects with construction value equal to or less than $500,000 and the Project is not occupied

b. Four Million ($4,000,000) Dollars per occurrence for projects with construction value of $500,001 to $1,000,000 or if under $500,000 and the Project is occupied

c. Nine Million ($9,000,000) Dollars per occurrence for projects with construction value of $1,000,001 to $10,000,000;

d. Fourteen Million ($14,000,000) per occurrence Dollars for projects with construction value of $10,000,001 to $20,000,000;

e. Nineteen Million ($19,000,000) Dollars per occurrence for projects with construction value of $20,000,001 to $50,000,000;

f. Such greater amount as is reasonably determined by Licensor and Licensee where the total project construction costs are greater than Fifty Million Dollars ($50,000,000).

Such coverage shall be in excess of the insurance required under Section 7.1.A.1(a), Section 7.1.A.1(b), and the employers liability required under Section 7.1.A.1(f). The general aggregate shall apply in total to this Project only if coverage is provided by a general contractor and shall be reinstated annually during construction. Upon the latest to occur of substantial completion of the Project or the issuance of a certificate of occupancy for the Project, the coverage shall specifically include the completed operations liability (construction defects) in the amounts required under this Section 7.1.1.

(d) Builders risk insuring such risks as commonly covered by an “all risk of physical loss” form on a replacement cost basis covering equipment to be installed in, and supplies to be used at, the Project and all Project related areas, including contractors’ supplies, tools and equipment.

(e) Workers’ compensation insurance covering all of Licensee’s, its general contractors’, its subcontractors’ and its consultants’ employees, in statutory amounts and employers’ liability of not less than One Million Dollars ($1,000,000) for each accident.

7.2 General Provisions.

A. All insurance policies required under Section 7.1.A.1 .(a) and (b) shall include Licensor and its Affiliates as additional insureds. Licensee shall deliver to Licensor, upon commencement of construction of a Project, certificates of insurance, and if so requested copies of the insurance policies in the event of a claim, with respect to all policies required pursuant to Section 7.1 and, in the case of insurance policies about to expire, shall deliver certificates with respect to renewals thereof. If commercially available, such policies of insurance shall be endorsed to provide that the insurance shall not be canceled without at least thirty (30) days’ prior written notice to the certificate holder. For all the above coverages, Licensee shall, and shall cause the general contractor and all subcontractors to, waive their respective rights of recovery and its insurers’ rights of subrogation against Licensor and such coverage shall be primary and non-contributory to any other coverages Licensor may carry.

B. Licensee’s obligation to maintain the insurance hereunder will not relieve Licensee of its obligations under any indemnification under this Agreement or the License Agreement. As required by Licensor on similar projects, Licensor reserves the right to review the insurance coverages and limits from time to time and require increases or amendments to the insurance outlined in 7.1 based on competitive terms and conditions in the jurisdiction of the Project. Such requirements shall be mutually agreed by Licensor and Licensee, but in no event shall the changes be less than those required by Licensor on similar projects.

ARTICLE 8

MISCELLANEOUS

8.1 Relationship. In the performance of this Addendum, Licensor shall act solely as an independent contractor. This Addendum shall in no respect be interpreted, deemed or construed as making Licensor a partner, joint venturer with, or agent of, Licensee.

8.2 Third-Party Rights. Nothing herein shall be construed to give any rights or benefits hereunder to any person or entity, other than Licensee or Licensor, and the rights of third-party beneficiaries are hereby expressly negated.

8.3 Headings; Section References. The headings of Sections herein are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Addendum or any provision hereof. All references to Articles, Sections, paragraphs, clauses, exhibits, or addenda shall refer to the corresponding Article, Section, paragraph, clause of or exhibit or addendum attached to this Addendum unless otherwise specified.

8.4 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Addendum, or to exercise any option, right or remedy contained in this Addendum, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

8.5 Partial Invalidity. If any portion of any term or provision of this Addendum, or the application thereof to any person or circumstance shall be invalid or unenforceable, at any time or to any extent, the remainder of this Addendum, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Addendum shall be valid and be enforced to the fullest extent permitted by law.

8.6 Engagement of Third Party Consultants. Licensor may, at its own cost, engage third party consultants to perform some of its services under this Addendum.

EXHIBIT A
TO
DESIGN REVIEW ADDENDUM

MILESTONE EVENTS

Licensor will visit the Site for the purpose of performing its obligations under the Addendum at approximately the following times unless otherwise noted:

Commencement of metal stud installation in units.

**Completion of the Model Unit (fully finished and furnished).

**Licensee's kickoff meeting with the fire and life safety contractor

**After fire life safety equipment has been installed but prior to drywall/sheetrock.

Commencement of public space finishes.

Commencement of furniture installation.

**Final Acceptance.

In addition to the above-described milestone events, Licensor may visit the Site to observe the construction of the Project and Project Related Areas at such intervals as Licensor deems reasonably necessary.

** Indicates mandatory visit to the Project by the appropriate Licensor representative to participate in activities associated with milestone.

EXHIBIT B
TO
DESIGN REVIEW ADDENDUM

SUBMITTALS

REQUIRED SUBMITTAL FORM:

* Sample / ** Shop drawing / *** Manufacturers literature

DIVISION 5

Decorative Metal work (bar rail, wall trim, grills, etc.) **/***

DIVISION 6

Millwork, paneling, trim casework */**

DIVISION 7

Exterior finish materials and colors *

DIVISION 8

Public Space and Guest Unit doors and Hardware ***

Storefront including entrance and revolving doors ***

DIVISION 9

All finish material

(Interior Design installation drawings, specifications and sample/color book) *

DIVISION 10

Building signs **

Interior graphics */**

DIVISION 11

Front desk equipment ***

Kitchen and laundry equipment ***

DIVISION 12

All furniture, fabric and upholstery */**

DIVISION 13 — NA

DIVISION 14

Elevator cab interiors */**

Elevator equipment **/***

DIVISION 15

Major mechanical equipment & controls including:

Boilers, chillers, cooling tower, air handlers & pumps **/***

Mechanical room layout **

Fire Protection Systems ***/**

- Any exceptions to approved Design Documents

DIVISION 16

Fire Protection Systems **/***

- Any exceptions to approved Design Documents

EXHIBIT C
TO
DESIGN REVIEW ADDENDUM

TECHNICAL SERVICES FEE

Review Categories	Review Fees
New Projects and Conversions of Existing Projects	$ 80,000
Refurbishment/Renovation of Existing Projects	
Soft Goods Refurbishment Review	$ 6,000
Refurbishment/renovation Projects In Excess of Soft Goods Update	$ 15,000

The review fees ("**Review Fees**") shall be billed by Licensor to Licensee on a lump sum basis as indicated for each review category identified above. Licensee shall pay the Review Fees in four (4) quarterly and equal installments. The first installment shall be payable upon submission of the first documents/plans for review by Licensor. In the event a Project is terminated before fully-reviewed by Licensor, the parties shall reasonably pro-rate the Review Fees based on the actual review work performed by Licensor.

The Review Fees listed above are inclusive of all expenses, included, but not limited to, travel, telephone, shipping, equipment, supplies, physical reviews of the Project, document approval, attendance at design progress meetings and meetings held in conjunction with the milestone events described on Exhibit "A" to the Addendum, on-site inspections during design & construction, post construction services and all other meetings required to successfully complete the review of each Project for compliance with the Design Standards.

Within one hundred twenty (120) days following the second anniversary of the License Agreement, the parties shall meet to evaluate the Review Fees and again on each second anniversary thereof. In the event the Review Fees are less, or greater than, the actual cost incurred by Licensor in the review of Licensee's Projects, the Review Fees shall be re-negotiated by the parties to an amount anticipated to cover the reasonable costs thereof.

EXHIBIT H

EXISTING PROJECTS AT WHICH LICENSEE HAS NOT ENGAGED IN TRANSIENT RENTAL

Existing Projects for which Licensee has not notified Licensor of Licensee's intention to engage in transient rentals

Project Name	**Place**
The Ritz-Carlton Club, Bachelor Gulch	*(Bachelor Gulch, Colorado)*
The Ritz-Carlton Club, Jupiter	*(Jupiter, Florida)*
The Ritz-Carlton Club, Kapaula Bay	*(Mauai, Hawaii)*

Existing Projects for which Licensee has notified Licensor of Licensee's intention to engage in transient rentals

Project Name	**Place**
The Ritz-Carlton Club, Aspen Highlands	*(Aspen, Colorado)*
The Ritz-Carlton Club, Lake Tahoe	*(Lake Tahoe, California)*
The Ritz-Carlton Residences at Kauai Lagoons	*(Kauaii, Hawaii)*
The Ritz-Carlton Club, San Francisco	*(San Francisco, California)*

EXHIBIT I

EXISTING GOLF FACILITIES

Facility Name	**Place**
The Abaco Club on Winding Bay	*(Abaco, Bahamas)*
The Ritz-Carlton Golf Club & Spa	*(Jupiter, Florida)*

EXHIBIT J

PERMITTED LICENSEE AFFILIATE NAMES

Affiliate	Jurisdiction of Organization
United States Affiliates	
RBF, LLC Also does business under the name The Ritz-Carlton Golf Club & Spa, Jupiter	Delaware
The Ritz-Carlton Development Company Inc.	Delaware
The Ritz-Carlton Management Company, LLC	Delaware
The Ritz-Carlton Sales Company, Inc.	Delaware
The Ritz-Carlton Title Company, Inc.	Delaware
Non-United States Affiliates	
The Ritz-Carlton Club, St. Thomas, Inc.	Virgin Islands - US

EXHIBIT K

NEW PROJECT APPLICATION

I. PROJECT DESCRIPTION

Applicant: **Marriott Vacations Worldwide**

Date Submitted:_____

Project Description:_____

_____

_____

_____

_____

Brand(s):_____

Project Name (if known):_____

_____

Number of Villas/Keys Planned:_____ Number of Floors: _____

		Villas	Keys
Destination Club Unit Mix:	Studios:	_____	_____
	1-Bedroom:	_____	_____
	2-Bedroom:	_____	_____
	3-Bedroom:	_____	_____
	4-Bedroom:	_____	_____
	Other:	_____	_____
	Lock-out Units	_____	_____
		Villas	Keys
Residential Unit Mix:	Studios:	_____	_____
	1-Bedroom:	_____	_____
	2-Bedroom:	_____	_____
	3-Bedroom:	_____	_____
	4-Bedroom:	_____	_____
	Other:	_____	_____
	Lock-out Units	_____	_____

On-Site Facilities

Restaurant Facilities /# of Seats: _____

Bars or Lounges:_____

_

Retail Shops: _____

Recreation/Golf/Spa: _____

Marketplace:

Sales Gallery:

Pools:

Play Areas:

Other:

Is the site co-located with any lodging or other facilities? If so, provide details.

If co-located with RCHC lodging, is a shared services and/or integration agreement contemplated? If so, provide details.

Description of Site:

Total Square Footage of Site: Acreage:

Site is controlled by MVW as follows:

( ) Owned by MVW ( ) Leased by MVW

( ) Purchase Contract ( ) Other:

If the site is currently owned by an entity other than the MVW, please provide the following information:

Fee Owner:

Street Address:

City, State, Zip Code, Country:

Phone Number:

Relationship to MVW, if any:

OTHER INFORMATION ABOUT THE SITE

Are there currently any existing moratoriums? ( ) Yes* ( ) No

Are there any restrictions on the site that would necessitate special local variances (e.g., parking, signage, liquor licenses, etc.)? ( ) Yes* ( ) No

* Explain the situation(s) and your plans to resolve same (attach supplemental sheets if necessary):

Please submit with your application:

(1) A copy of the deed, lease, purchase contract or other documents showing MVW's ownership or control of the site;

(2) A copy of the plat of the site and a site plan;*

(3) Photographs of site and surrounding land uses;

(4) A conceptual floor plan and elevation (may be omitted if prototype [Brand] or if only variation to prototype is the addition of rooms); and

(5) A map of the location.

* **See Minimum Submission Requirements at Attachment A**

II. PROPOSED DEVELOPMENT/CONVERSION COSTS AND PROJECTIONS

Property will be a: _____ New Development _____ Conversion/Renovation

If a new development, please complete Section II A and C and the remainder of this application. If a conversion/renovation, please complete Section II B and C and the remainder of this application.

A. NEW DEVELOPMENT

PROPOSED DEVELOPMENT COSTS:

Land Cost: $_____

Development Cost (Construction/Other): $_____

Total Cost: $ _____ Per Villa/Room: $_____ Per Residence $_____

Anticipated Construction Start: _____

Estimated Opening Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests:_____ Estimated gross contract sales:_____

Estimated number of Residential Units:_____ Estimated gross contract sales:_____

B. CONVERSION/RENOVATION

NAME OF PROPERTY AND CURRENT USE:_____

Acquisition Cost: $_____

Conversion Cost: $_____

Total Cost: $_____ Per Villa/Room: $_____

Year Built: _____

Anticipated Conversion/Renovation Start:_____

Estimated Conversion/Renovation Date: _____

SALES PROJECTIONS:

Estimated number of Vacation Ownership Interests:_____ Estimated gross contract sales:_____

Estimated number of Residential Units:_____ Estimated gross contract sales:_____

C. PROPOSED TRANSACTION SUMMARY

Please describe the proposed transaction terms and associated agreements, as well as results of the territorial search._____

D. RENTAL PROGRAM

Please indicate if transient rental is contemplated and describe applicable rental program arrangements:

_____

III. OWNERSHIP STRUCTURE AND DUE DILIGENCE

Please provide the information requested in this section for the property owner, if different, from Marriott Vacations Worldwide.

Owner Name:_____

A/an _____ ( ) General Partnership ( ) Privately Held Corporation
(state) ( ) Limited Partnership ( ) Individual
( ) Public Corporation ( ) Joint Venture
( ) Trust ( ) Estate ( ) Other
( ) Syndicated Limited Partnership
( ) Limited Liability Company

MVW Interest in Owner:_____

Contact:

Name: _____

Title: _____

Street Address:_____

Phone Number: _____

Fax Number:_____

E-mail Address:_____

Tax ID No.:_____

Principal Correspondent:

Name:_____

Title:_____

Street Address: _____

Phone Number:_____

Fax Number:_____

E-mail Address:_____

Authorized Signer for Entity:

Name: _____

Title: _____

Please provide the following for each individual or entity that is related to the transaction.

Full Name	**Home and Business Street Addresses, Phone Numbers, & Email Address**	**Description of Interest**

ATTACHMENT A: MINIMUM SUBMISSION REQUIREMENTS

1. Facilities program summary describing the space requirements for all areas of the project and the project related areas (e.g., public spaces, kitchen, laundry, back office, etc.);
2. A listing of each operating function of the project and the “as designed” areas, and other documents reasonably necessary to represent the size, layout and quality of the project;
3. A colored vicinity/location map indicating vehicular traffic directions, ingress and egress points and major surrounding developments and transportation centers;
4. A site plan showing all site elements and proposed landscaping;
5. Floor plans, showing all spaces listed in the facilities program;
6. Unit layouts, in unit kitchen equipment (if applicable), closets, balconies and other major features;
7. Building elevations and sections, showing exterior materials, details and colors;
8. A rendered perspective drawing of the project; and
9. A description of the proposed exterior materials.

EXHIBIT L

PURCHASER DISCLOSURE STATEMENT

[*The Ritz-Carlton Development Company, Inc.*][1] independently owns and manages [*The Ritz-Carlton Destination Club*][2] program. The programs and products provided under the [*The Ritz-Carlton Destination Club*] brand are owned, developed, and sold by [*The Ritz-Carlton Development Company, Inc.*], not by The Ritz-Carlton Hotel Company, L.L.C. or any of its affiliates. [*The Ritz-Carlton Development Company, Inc.*] is an independent entity and is not an affiliate of The Ritz-Carlton Hotel Company, L.L.C. [*The Ritz-Carlton Development Company, Inc.*] and its affiliates use The Ritz-Carlton marks under license from The Ritz-Carlton Hotel Company, L.L.C., and the right to use such marks shall cease if such license expires or is revoked or terminated. The Ritz-Carlton Hotel Company, L.L.C. and its affiliates make no representations, warranties, or guaranties, express or implied, with respect to the information contained in any offering documents or with respect to the [*The Ritz-Carlton Destination Club*] program.

[1] Insert name of appropriate entity to which the disclosure relates.

[2] Insert name of appropriate product or program to which the disclosure relates.

Exhibit 10.3

EMPLOYEE BENEFITS AND OTHER EMPLOYMENT MATTERS ALLOCATION AGREEMENT

by and between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

TABLE OF CONTENTS

EMPLOYEE BENEFITS AND OTHER EMPLOYMENT MATTERS ALLOCATION AGREEMENT

This EMPLOYEE BENEFITS AND OTHER EMPLOYMENT MATTERS ALLOCATION AGREEMENT ("Agreement") is made and entered into as of November 5, 2011, by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation and, prior to the Distribution, a wholly owned subsidiary of MII ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement dated as of November 17, 2011, between MII and MVWC (the "Distribution Agreement") MII will distribute to the Record Holders (as defined in the Distribution Agreement) on a *pro rata* basis, all the outstanding shares of common stock, of MVWC owned by MII (the "Distribution"); and

WHEREAS, pursuant to the Distribution Agreement, MII and MVWC have agreed to enter into an agreement allocating responsibilities with respect to employee compensation, benefits, labor and certain other employment matters pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MII and MVWC agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions: As used in this Agreement, the following terms shall have the meanings indicated below:

Adjusted MII Stock Option: a 2011 Distribution Award based on a MII Stock Option.

Adjusted MII SAR: a 2011 Distribution Award based on a MII SAR.

Benefit Plans: Plans maintained by MII before the Effective Date.

Code: the Internal Revenue Code of 1986, as amended, or any successor legislation.

Collective Bargaining Agreement: any collective bargaining agreement or other labor agreement to which MII or any of its Subsidiaries was a party on or before the Cut-off Date.

Company Contribution: the contribution by MII and its Subsidiaries to the MII Profit Sharing Plan in accordance with the terms thereof.

Cut-off Date: the date immediately preceding the Effective Date.

Distribution: has the meaning specified in the recitals of this Agreement.

Distribution Agreement: the agreement described in the recitals of this Agreement.

Distribution Date: has the meaning specified in the Distribution Agreement.

Distribution Ratio: has the meaning specified in the Distribution Agreement.

Effective Date: as of 12:01 a.m. on the Saturday before the Distribution Date set forth in the Distribution Agreement.

Employee: with respect to any entity, an individual who is considered, according to the payroll and other records of such entity, to be employed by such entity.

Employer Subsidy: The amount of the cost of the MII Medical/Dental/Vision Plan for an Employee and the Employee's eligible family members to participate in the Plan that is paid by MII, a portion of which may be paid by MVWC pursuant to Section 2.05(e).

Employment Claim: any actual or threatened lawsuit, arbitration, ERISA claim, or federal, state, or local judicial or administrative proceeding of whatever kind involving a demand by or on behalf of or relating to an employee or former employee, or by or relating to a collective bargaining agent of employees, or by or relating to any federal, state, or local government agency alleging liability against an employer or against an employee pension, welfare or other benefit plan, or an administrator, trustee or fiduciary thereof.

ERISA: the Employee Retirement Income Security Act of 1974, as amended, or any successor legislation.

HMO: any health maintenance organization organized under 42 U.S.C. §300e-9, or a state health maintenance organization statute that provides medical services for Retained Individuals or MVWC Individuals under any Plan.

IRS: the Internal Revenue Service.

MI Shares: MI Share Awards under the MII Stock Plan.

MII: Marriott International, Inc., a Delaware corporation and its Subsidiaries.

MII Common Stock: the Class A common stock, par value $1 per share, of MII after the Effective Date.

MII Deferred Compensation Plan: the Marriott International, Inc. Executive Deferred Compensation Plan that is continued by MII after the Effective Date pursuant to Section 2.03(b).

MII Group Term Life/AD&D/BTA Insurance Plan: the Marriott International, Inc. Group Term Life Insurance Plan, the Marriott International, Inc. Accidental Death & Dismemberment Insurance Plan and the Marriott International, Inc. Business Travel Accident Insurance Plan.

MII Medical/Dental/Vision Plan: the Marriott International, Inc. Medical Plan, the Marriott International, Inc. Dental Plan, the Marriott International, Inc. Vision Plan and the Marriott International, Inc. Health Care Spending Account Plan.

MII Profit Sharing Plan: the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan and Trust, as in effect prior to the Effective Date.

MII Qualified Beneficiary: any Retained Employee who becomes a Qualified Beneficiary on or after the Effective Date and any Retained Individual who is or becomes a Qualified Beneficiary as a result of loss in coverage under the MII Medical/Dental/Vision Plan.

MII Retained Business: has the meaning set forth in the Distribution Agreement.

MII SAR: an unexercised, vested or unvested stock-settled stock appreciation right issued under the MII Stock Plan which is outstanding immediately prior to the Distribution.

MII Stock Award: an award of restricted shares, deferred bonus stock, a deferred stock agreement or MI Shares under the MII Stock Plan.

MII Stock Option: an unexercised, vested or unvested nonqualified stock option to purchase MII Common Stock issued under the MII Stock Plan which is outstanding immediately prior to the Distribution.

MII Stock Plan: the Marriott International, Inc. Stock and Cash Incentive Plan as maintained by MII prior to the Effective Date.

MII Terminee: any individual formerly employed by MII or any Subsidiary of MII (including MVWC) who terminated such employment prior to the Effective Date.

MVWC: has the meaning set forth in the heading hereto.

MVWC Business: has the meaning specified in the Distribution Agreement.

MVWC Common Stock: the common stock of MVWC.

MVWC Employee: has the meaning set forth in Section 2.01 hereof.

MVWC Group: has the meaning specified in the Distribution Agreement.

MVWC Group Term Life/AD&D/BTA Insurance Plan: The Marriott Vacations Worldwide Corporation Group Term Life Insurance Plan, the Marriott Vacations Worldwide Corporation Accidental Death & Dismemberment Insurance Plan and the Marriott Vacations Worldwide Corporation Business Travel Accident Insurance Plan as established by MVWC in accordance with Section 2.09(b).

MVWC Individual: any individual who (i) is a MVWC Employee, (ii) is, as of the Cut-off Date, a MII Terminee whose last employment with MII or a MVWC Subsidiary was with a MVWC Business, or is a beneficiary of any individual specified in clause (i) or (ii).

MVWC Medical/Dental/Vision Plan: The Marriott Vacations Worldwide Corporation Medical Plan, the Marriott Vacations Worldwide Corporation Dental Plan, the Marriott Vacations Worldwide Corporation Vision Plan and the Marriott Vacations Worldwide Corporation Health Care Spending Account Plan as established by MVWC in accordance with Section 2.05(b).

MVWC 401(k) Plan: the Plan intended to be qualified under Sections 401(a) and 401(k) of the Code, established or designated and maintained by MVWC pursuant to Section 2.02(b).

MVWC Qualified Beneficiary: any MVWC Individual who is or becomes a Qualified Beneficiary on or after 11:59 p.m. November 4, 2011.

MVWC RSUs: MVWC RSU Awards under the MVWC Stock Plan.

MVWC SAR: an unexercised, vested or unvested nonqualified stock-settled stock appreciation right issued under the MVWC Stock Plan.

MVWC Stock Award: an award of restricted shares, deferred bonus stock, a deferred stock agreement or MVWC RSUs under the MVWC Stock Plan.

MVWC Stock Option: an unexercised, vested or unvested nonqualified stock option to purchase MVWC Common Stock issued under the MVWC Stock Plan.

MVWC Stock Plan: the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan to be adopted by MVWC pursuant to Section 2.04(b).

Medical/Dental/Vision Plan: any of the following welfare plans providing health benefits to Employees and their dependents: MII Medical/Dental/Vision Plan; and MVWC Medical/Dental/Vision Plan.

Non-employee Director: any member of the Board of Directors of MII who is not an Employee of MII.

Option: either a MII Option or a MVWC Option.

Plan: any plan, policy, arrangement, contract or agreement providing compensation or benefits for any group of Employees or individual Employee, or the dependents or beneficiaries of any such Employee(s), whether formal or informal or written or unwritten, and including, without limitation, any means, whether or not legally required, pursuant to which any benefit is provided by an employer to any Employee or the beneficiaries of any such Employee. The term "Plan" as used in this Agreement does not include any contract, agreement or understanding relating to settlement of actual or potential Employment Claims.

Post-Conversion Stock Price: the closing New York Stock Exchange prices per share of MVWC Common Stock or MII Common Stock, as applicable, on the Distribution Date.

Post-retirement Medical Benefits: means post-retirement benefits under Welfare Plans maintained by MII before the Effective Date.

Pre-Distribution Employee: an Employee who was employed by MII or one of its Subsidiaries as of the Cut-off Date.

Qualified Beneficiary: an individual (or dependent thereof) who either (1) experiences a "qualifying event" (as that term is defined in Code Section 4980B(f)(3) and ERISA Section 603) while a participant in any Medical/Dental/Vision Plan, or (2) becomes a "qualified beneficiary" (as that term is defined in Code Section 4980B(g)(1) and ERISA 607(3)) under any Medical/Dental/Vision Plan.

Retained Employee: has the meaning set forth in Section 2.01 hereof.

Retained Individual: any individual who (i) is a Retained Employee, (ii) is, as of the Cut-off Date, a MII Terminee whose last employment with MII or a Subsidiary of MII was primarily related to a MII Retained Business, or (iii) is a beneficiary of any individual described in clause (i) or (ii).

Retained Subsidiary: a Subsidiary of MII as of the Effective Date.

SAR: either a MII SAR or a MVWC SAR.

Service Credit: the period taken into account under any Plan for purposes of determining length of service or plan participation to satisfy eligibility, vesting, benefit accrual and similar requirements under such Plan.

Spread: the difference between the price of a share of stock and the exercise price of an Option or SAR to purchase that share of stock.

Stock Plan: either the MII Stock Plan or the MVWC Stock Plan.

Subsidiary: has the meaning specified in the Distribution Agreement.

Transaction Agreements: has the meaning specified in the Distribution Agreement.

2011 Distribution Award: has the meaning set forth in Section 2.04(c) hereof.

2011 Plan Year: means the fiscal year of a Plan ending December 31, 2011.

Welfare Plan: any Plan which provides medical, health, disability, accident, life insurance, death, dental or any other welfare benefit, including, without limitation, any post-employment benefit.

Section 1.02 Other Terms. Any capitalized terms used herein but not defined herein shall have the meaning set forth in the Distribution Agreement.

Section 1.03 Certain Constructions. References to the singular in this Agreement, or in the Distribution Agreement to the extent terms in this Agreement are defined by reference to the Distribution Agreement, shall refer to the plural and vice-versa and references to the masculine shall refer to the feminine and vice-versa.

Section 1.04 Schedules, Sections. References to a “Schedule” are, unless otherwise specified, to one of the Schedules attached to this Agreement, and references to a “Section” are, unless otherwise specified, to one of the Sections of this Agreement.

Section 1.05 Survival. Obligations described in this Agreement shall remain in full force and effect and shall survive the Effective Date.

ARTICLE II
EMPLOYEE BENEFITS

Section 2.01 Employment.

(a) Allocation of Employees. MII and MVWC shall take all steps necessary or appropriate so that all of the Employees of MII and its Subsidiaries as of the Cut-off Date are allocated between the MII Retained Business and MVWC Business as of the Effective Date in accordance with the principles set forth in paragraphs (i) and (ii) of this Section 2.01(a). In making such allocation of Employees of MII and its Subsidiaries pursuant to this Section 2.01(a), MII and MVWC shall share such information regarding the allocation of Employees as is reasonably requested. An Employee who is (1) allocated to the MII Retained Business and (2) employed by MII or a Retained Subsidiary as of the Effective Date is a "Retained Employee." An Employee who is (1) allocated to the MVWC Group and (2) employed by MVWC or a MVWC Subsidiary as of the Effective Date is a "MVWC Employee". All Employees of MII and its Subsidiaries as of the Cut-off Date shall be allocated as either Retained Employees or MVWC Employees on the Effective Date.

(i) In making the allocation provided for in this Section 2.01(a), and subject to paragraph (ii) hereof, MII and MVWC shall allocate each Employee whose employment duties prior to the Effective Date relate exclusively to the MII Retained Business to MII and each Employee whose employment duties prior to the Effective Date relate exclusively to the MVWC Business to the MVWC Group. MII and MVWC shall allocate all other Employees, in a mutually agreeable manner that, to the extent possible, takes into account the Employees' expertise, experience and existing positions and duties and does not unreasonably disrupt either the MII Retained Business or MVWC Business and maximizes the ability of each of the MII Retained Business and MVWC Business to manage and operate their respective businesses after the Effective Date, taking into account the respective needs of such businesses as established by past practice.

(ii) MII and MVWC each agree that, between the date hereof and the Effective Date, Employees will not be transferred between the MII Retained Business or MVWC Business except as (A) necessary to effect the second sentence of paragraph (i) of this subsection 2.01(a), (B) in the ordinary course of business consistent with past practice or (C) in accordance with the procedures described in the next sentence. MII and MVWC agree that, between the date hereof and the Effective Date, the senior human resources executive of each party will consult with the senior human resources executive of the other party in connection with the transfer of any employee whose duties relate primarily to the MVWC Business or MII Retained Business, as the case may be, and whose supervisor objects to the transfer. Consent by the other party to any such transfer will not be required.

(b) Allocation of Responsibilities as Employer. On the Effective Date, except to the extent retained or assumed by MII under this Agreement or any other agreement relating to the Distribution, MVWC shall retain or assume, as the case may be, responsibility as employer for the MVWC Employees. On the Effective Date, except to the extent retained or assumed by MVWC under this Agreement or any other agreement relating to the Distribution, MII shall retain or assume, as the case may be, responsibility as employer for the Retained Employees. The assumption or retention of responsibility as employer by MII or MVWC described in this Section 2.01 shall not, of itself, constitute a severance or a termination of employment under any Plan of severance maintained by MII or MVWC.

(c) Service Credits. In connection with the Distribution and for purposes of determining Service Credits (but excluding accrual of benefits other than vacation, sick leave, health and welfare benefits, eligibility for Club 25 or Quarter Century Club associate discount programs or severance) under any Plans, MII shall credit each Retained Employee and MVWC shall credit each MVWC Employee with such Employee's Service Credits and current hire date as reflected in MII's human resources system records as of the Cut-off Date. Such Service Credits and hire date shall continue to be maintained as described herein for as long as the Employee does not terminate employment.

(d) Transfer of Employees Following the Effective Date. For a period of ninety (90) days following the Effective Date, in the case of a transfer of a Pre-Distribution Employee from the MVWC Group to MII or from MII to the MVWC Group, (i) the transferee employer will recognize the most recent hire date of such Employee prior to the Distribution with MII or one of its Subsidiaries for purposes of Service Credits with the transferee employer, including toward any waiting period under any Plan; (ii) such Employee will be given credit under the transferee employer's Medical/Dental/Vision Plan toward any deductible or out-of-pocket maximum for amounts paid while employed by the transferor employer; and (iii) the transferee employer shall provide the Employee with the same balance of vested and unvested vacation and sick leave hours as had been accrued by the transferor employer through the date of transfer from the transferor employer; provided that the transferor employer shall promptly notify the transferee employer in writing of the occurrence of any such termination subject to the provisions of this Section 2.01(d)(iii), and shall make a payment to such transferee employer within thirty (30) days of the aforesaid termination date from the transferor employer in an amount equal to the value of the transferring employee's vested and unvested balance of vacation leave accrued by the transferor employer through such termination date with such transferor employer, based on the employee's final rate of pay with the transferor employer.

Section 2.02 Retirement Plans.

(a) MII Profit Sharing Plan. Effective as of the Effective Date, MII shall retain sponsorship of the MII Profit Sharing Plan. MVWC Employees shall cease contributions to the MII Profit Sharing Plan with respect to pay earned on or after November 5, 2011.

(b) MVWC 401(k) Plan. Effective as of November 5, 2011, MVWC shall take, or

cause to be taken, or have taken, all action necessary and appropriate to establish and administer a Plan to be referred to herein as the MVWC 401(k) Plan. After the Distribution, MVWC shall retain all assets and liabilities of the MVWC 401(k) Plan. Effective as of November 5, 2011, all MVWC Employees who, immediately prior to such date, were participants in or otherwise eligible to participate in the MII Profit Sharing Plan shall be eligible to participate in the MVWC 401(k) Plan with respect to pay earned on or after November 5, 2011. The MVWC 401(k) Plan shall be intended to qualify for tax-favored treatment under Sections 401(a) and 401(k) of the Code and to be in compliance with the applicable requirements of ERISA.

(c) Company Contribution. MVWC Employees who made elective deferrals or after-tax contributions to the MII Profit Sharing Plan for the period of the 2011 calendar year preceding November 5, 2011, shall be eligible for a Company Contribution for the 2011 Plan Year based on contributions made to the MII Profit Sharing Plan and compensation during such period, notwithstanding the fact that they are not employed by MII as of the last day of the 2011 Plan Year and such contributions should be made no later than March 31, 2012.

(d) Rollovers from MII Profit Sharing Plan to MVWC 401(k) Plan. Effective as of the Distribution Date, the MVWC 401(k) Plan will accept rollovers from the MII Profit Sharing Plan provided participants comply with the procedures specified by both Plans.

Section 2.03 Deferred Compensation Plans.

(a) MII Deferred Compensation Plan. Effective as of the Effective Date, MII shall retain sponsorship of the MII Deferred Compensation Plan. MII shall be responsible for payment of all liabilities and obligations of MII accrued under the MII Deferred Compensation Plan, regardless of when such payment becomes due, including, but not limited to, liabilities to MVWC Employees pursuant to participation in the MII Deferred Compensation Plan for periods prior to the Cut-off Date, along with notional earnings required to be credited to account balances included therein in accordance with the terms of the MII Deferred Compensation Plan. Nothing herein shall limit MII's ability to terminate the MII Deferred Compensation Plan at any time and make immediate distributions of all accounts.

(b) Liability for Distributions to MVWC Employees. Following the Effective Date, in the case of distributions by MII to participants in the MII Deferred Compensation Plan who are or were MVWC Employees on the Cut-off Date (or on any date during the 90-day period described in Section 2.01(d)), MVWC shall be responsible for paying MII the amount of such distributions within thirty (30) days of receipt of an invoice from MII detailing the amount of such distributions.

(c) Sharing of Information. Within thirty (30) days following the Effective Date, MII will submit to MVWC a listing of all MVWC Employees who maintain a balance in the MII Deferred Compensation Plan and will provide an updated list one hundred twenty (120) days following the Effective Date. MVWC shall inform MII of MVWC Employees who terminate employment with the MVWC Group and who are or were participants in the MII Deferred

Compensation Plan as of the Cut-off Date (or any date during the 90-day period described in Section 2.01(d)). MVWC acknowledges that receipt of timely information concerning termination of employment of MVWC Employees with accounts under the MII Deferred Compensation Plan is essential to avoid penalties under Code Section 409A and shall indemnify MII for any liability arising by reason of the failure to properly distribute accounts under the MII Deferred Compensation Plan to MVWC Employees due to MVWC's failure to timely advise MII of a termination of employment. For purposes of this section 2.03(c), information concerning terminations of employment shall include instructions by MVWC regarding which employees shall be subject to the six-month delay on distributions to "specified employees" under Code Section 409A.

Section 2.04 Comprehensive Stock Plans.

(a) MII Stock Plan. Effective as of the Effective Date MII shall continue the MII Stock Plan.

(b) MVWC Stock Plan. As soon as practicable after the date hereof and effective as of the Effective Date, MVWC shall take, or cause to be taken, or have taken, all action necessary and appropriate to adopt and administer the MVWC Stock Plan, and to provide 2011 Distribution Awards for all (i) MVWC Employees, (ii) MII Employees and (iii) MII Terminees, in accordance with Section 2.05(d). All awards under the MVWC Stock Plan will be denominated in MVWC Common Stock.

(c) 2011 Distribution Awards.

(i) MII Stock Award: On the Distribution Date, each Employee and Non-employee Director who is a holder of a MII Stock Award as of the Cut-off Date shall receive as part of the Distribution an award under the MVWC Stock Plan of a number of shares of MVWC Common Stock equal to the number of shares of MII Common Stock subject to the MII Stock Award held by such Employee and Non-employee Director multiplied by the Distribution Ratio, with terms and conditions substantially similar to the terms and conditions applicable to the MII Stock Award. MVWC Stock Awards shall be distributed with fractional shares calculated to the tenth (1/10) of a share.

(ii) MII Stock Options and MII SARs: (A) On the Distribution Date, each Employee and Non-employee Director who is a holder of a MII Stock Option or MII SAR shall have each of the following: (I) an Adjusted MII Stock Option or Adjusted MII SAR under the MII Stock Plan for the same number of shares as under the MII Stock Option or MII SAR and (II) a MVWC Stock Option or MVWC SAR under the MVWC Stock Plan for the number of shares as under the MII Stock Option or MII SAR multiplied by the Distribution Ratio. (B) The Spread on the Adjusted MII Stock Option or Adjusted MII SAR shall equal the Spread on the MII Stock Option or MII SAR before the Distribution multiplied by (I) the Post-Conversion Stock Price of MII Common Stock divided by (II) the sum of (x) the Post-Conversion Stock Price of MII Common Stock and (y) the Post-Conversion Stock Price of MVWC Common Stock

divided by the Distribution Ratio. (C) The exercise price of the Adjusted MII Stock Option or Adjusted MII SAR shall equal the Post-Conversion Stock Price of MII Common Stock minus the Spread on the Adjusted MII Stock Option or Adjusted MII SAR divided by the number of shares subject to the Adjusted MII Stock Option or the Adjusted MII SAR. (D) The Spread on the MVWC Stock Option or MVWC SAR shall equal the Spread on the MII Stock Option or MII SAR before the Distribution multiplied by (I) the Post-Conversion Stock Price of MVWC Common Stock divided by (II) the sum of (x) the Post-Conversion Stock Price of MII Common Stock and (y) the Post-Conversion Stock Price of MVWC Common Stock divided by the Distribution Ratio. (E) The exercise price of the MVWC Stock Option or MVWC SAR shall equal the Post-Conversion Stock Price of MVWC Common Stock minus the Spread on the MVWC Stock Option or MVWC SAR divided by the number of shares subject to the MVWC Stock Option or the MVWC SAR. (F) An Adjusted MII Stock Option, Adjusted MII SAR, MVWC Stock Option or MVWC SAR that is a 2011 Distribution Award shall have terms and conditions substantially similar to the terms and conditions of the MII Stock Option or MII SAR to which it relates under this Section 2.04(c)(ii). (G) All adjustments made pursuant to this Section 2.04(c) shall be effected in a manner such that no award becomes subject to the requirements of Section 409A of the Code.

(d) Service Credit: The 2011 Distribution Awards shall be administered with respect to any provisions relating to continuing employment requirements to give Service Credit for service with the party employing the grantee as of the Cut-off Date (or on any date during the 90-day period described in Section 2.01(d)).

(e) Cooperation. MVWC and MII agree to cooperate in good faith to ensure that each party's Stock Plan is administered properly, including providing information on the termination of employment of employees who continue to hold stock awards denominated the shares of the other party's common stock.

Section 2.05 Medical/Dental/Vision Plan.

(a) MII Medical/Dental/Vision Plan. Effective as of November 5, 2011, MII will continue the MII Medical/Dental/Vision Plan. MVWC Employees who were eligible for any MII Medical/Dental/Vision Plan as of November 4, 2011, will be entitled to continue participating in those Plans until December 31, 2011. MVWC Employees who were employed on or before November 4, 2011, but who have not completed their benefits waiting period for the MII Medical/Dental/Vision Plan as of November 4, 2011, shall be eligible to participate in the MII Medical/Dental/Vision Plan as of the date they would have been eligible had they been a Retained Employee, and will be entitled to continue participating in that Plan until December 31, 2011. Any MVWC Employee covered under the MII Medical/Dental/Vision Plan who has a qualifying status change (e.g., birth/adoption of a child, marriage) will be able to make changes to their enrollment based on the event in accordance with the terms of the MII Medical/Dental/Vision Plan. MVWC shall be responsible for paying MII the amount of the Employer Subsidy with respect to participation in the MII Medical/Dental/Vision Plan by MVWC Employees during the period following November 4, 2011 within thirty (30) days of receipt of an invoice from MII detailing the amount of such Employer Subsidy.

(b) Establishment of MVWC Medical/Dental/Vision Plan. Effective as of January 1, 2012, MVWC or one of its Subsidiaries shall take, or cause to be taken, or have taken, all action necessary and appropriate to establish or designate and administer the MVWC Medical/Dental/Vision Plan and to provide benefits thereunder for all eligible MVWC Employees who choose to enroll in the plans.

(c) Continuation Coverage.

(i) Subject to Section 2.05(c)(ii), as of the Effective Date, (A) MII or a Retained Subsidiary shall assume or retain and shall be solely responsible for, or cause the MII Medical/Dental/Vision Plan, insurance carriers or HMOs to be responsible for, the continuation coverage requirements imposed by Code Section 4980B and ERISA Sections 601 through 608 ("COBRA") as they relate to any MII Qualified Beneficiary, and MVWC and the MVWC Subsidiaries shall have no liability or obligation with respect thereto, and (B) MVWC or a MVWC Subsidiary shall assume or retain and shall be solely responsible for, or cause the MVWC Medical/Dental/Vision Plan, its insurance carriers or HMOs to be responsible for, such continuation coverage requirements as they relate to any MVWC Qualified Beneficiary, and MII and the Retained Subsidiaries shall have no liability or obligation with respect thereto.

(ii) Except as provided in Section 2.05(c)(iii), an MVWC Qualified Beneficiary who becomes entitled to continuation coverage by reason of an event that occurs after November 4, 2011 and on or before December 31, 2011, shall be entitled to coverage under the MII Medical/Dental/Vision Plan through December 31, 2011, and thereafter for the remainder of what would have been the required continuation coverage period had such MVWC Qualified Beneficiary had a COBRA qualifying event shall be entitled to coverage under the MVWC Medical/Dental/Vision Plan.

(iii) An MVWC Qualified Beneficiary who becomes entitled to continuation coverage by reason of a separation from service under the MII Severance Plan on or before November 18, 2011, shall be entitled to coverage under the MII Medical/Dental/Vision Plan for the entire COBRA continuation coverage period as a result of that event. If the MVWC Qualified Beneficiary described in the preceding sentence meets the requirements for Retiree Medical Coverage under the MII Medical/Dental/Vision Plan as of November 18, 2011, then the MVWC Qualified Beneficiary will be eligible to participate in Retiree Medical Coverage under the Marriott International, Inc. Plan after the end of the severance period under the MII Severance Plan.

(d) Post-retirement Medical Benefits. Notwithstanding anything herein to the contrary, as of the Effective Date, MII or a Retained Subsidiary shall assume or retain, and shall be solely responsible for, or cause the Marriott International, Inc. Medical Plan, its insurance carriers or HMOs, to be responsible for Post-retirement Medical benefits to which MII Terminees have become entitled as of the Cut-off Date under the Marriott International, Inc. Medical Plan maintained by MII before the Effective Date, and MVWC shall have no liability with respect thereto.

Section 2.06 Short-Term Disability Plan.

(a) MII Short-Term Disability Plan. Effective as of November 5, 2011, MII or a Retained Subsidiary shall continue the MII Short-Term Disability Plan. MVWC Employees shall cease coverage under the MII Short-Term Disability Plan effective 11:59 pm November 4, 2011. In accordance with the terms of the MII Short-Term Disability Plan, coverage will be provided to a MVWC Employee for a payable claim that occurs while the MVWC Employee is covered under the Plan.

(b) Establishment of MVWC Short-Term Disability Plan. Effective as of November 5, 2011, MVWC or a MVWC Subsidiary shall take, or cause to be taken, or have taken, all actions necessary and appropriate to establish, designate or administer a short-term disability plan and to provide benefits thereunder for all eligible MVWC Employees who enroll therein.

Section 2.07 Long-Term Disability Plan.

(a) MII Long-Term Disability Plan. Effective as of November 5, 2011, MII or a Retained Subsidiary shall continue the MII Long-Term Disability Plan. MVWC Employees shall cease coverage under the MII Long-Term Disability Plan effective 11:59 pm November 4, 2011. In accordance with the terms of the MII Long-Term Disability Plan, coverage will be provided to a MVWC Employee for a payable claim that occurs when the MVWC Employee is covered under the Plan.

(b) Establishment of MVWC Long-Term Disability Plan. Effective as of November 5, 2011, MVWC or a MVWC Subsidiary shall take, or cause to be taken, or have taken, all actions necessary and appropriate to establish, designate or administer a long-term disability plan and to provide benefits thereunder for all eligible MVWC Employees who enroll therein.

Section 2.08 Vacation and Sick Pay Liabilities.

(a) Division of Liabilities. Effective on the Effective Date, MVWC shall assume, as to the MVWC Employees, and MII shall retain, as to the Retained Employees, all accrued liabilities (whether vested or unvested, and whether funded or unfunded) for vacation and sick leave in respect of all Employees of MII and its Subsidiaries as of the Cut-off Date. MVWC shall be solely responsible for the payment of such vacation or sick leave to MVWC Individuals after the Cut-off Date, and MII shall be solely responsible for the payment of such vacation or sick leave to Retained Individuals after the Cut-off Date. Each party shall provide to its own Employees on the Effective Date the same vested and unvested balances of vacation and sick leave as credited to such Employee on MII's payroll system on the Cut-off Date. As of the Effective Date, MII shall continue to accrue vacation and sick leave in respect of each Retained Employee according to the same rate of accrual as accrued in respect of such individual by MII on the Cut-off Date. As of the Effective Date, MVWC shall continue to accrue vacation and sick leave in respect of

each MVWC Employee according to the MVWC accrual schedule as communicated per MVWC policy as of the Cut-off Date. The preceding sentence shall not be construed as in any way limiting the right of either MVWC or MII to change its vacation or sick leave plans or policies as it deems appropriate, subject to the application of Section 2.01(d).

Section 2.09 Group Term Life/AD&D/BTA Insurance Plan.

(a) MII Group Term Life Insurance Plan. Effective as of November 5, 2011, MII or a Retained Subsidiary shall continue the MII Group Term Life/AD&D/BTA Insurance Plan. MVWC Employees shall cease coverage under the MII Group Term Life/AD&D/BTA Insurance Plan effective 11:59 pm November 4, 2011.

(b) MVWC Group Term Life Insurance Plan. Effective as of November 5, 2011, MVWC or a MVWC Subsidiary shall take, or cause to be taken, or have taken, all actions necessary and appropriate to establish, designate or administer the MVWC Group Term Life/AD&D/BTA Insurance Plan and to provide benefits thereunder for all eligible MVWC Employees who enroll therein.

Section 2.10 Severance Pay Plan.

(a) Effective as of the Effective Date, MII or a Retained Subsidiary shall continue the MII Severance Plan.

(b) Effective as of the Effective Date, MVWC or a MVWC Subsidiary shall take, or cause to be taken, or have taken, all actions necessary and appropriate to establish, designate or administer a severance plan for eligible MVWC Employees.

(c) Employees of the MVWC Business who become entitled to benefits under the MII Severance Plan for terminations of employment occurring on or before the Cut-off Date shall be entitled to continue to receive such benefits in accordance with the terms of the MII Severance Plan. MVWC shall be responsible for paying MII the amount of the cost of benefits for such participants under the MII Severance Plan within thirty (30) days of receipt of an invoice from MII detailing the amount of such costs.

Section 2.11 Dependent Care Spending Account Plan. Effective November 5, 2011, MVWC Employees will cease to contribute to the Marriott International, Inc. Dependent Care Spending Account Plan; provided, however, that MVWC Employees may continue to make claims for eligible expenses incurred through November 4, 2011, in accordance with the terms of the Plan.

Section 2.12 Other Plans. Except as otherwise expressly provided herein, MII shall retain all liabilities under all Plans to the extent relating to Retained Individuals or maintained by a Retained Subsidiary, and MVWC shall be responsible for all liabilities under all Plans to the extent relating to MVWC Individuals or maintained by a MVWC Subsidiary.

Section 2.13 Preservation of Right To Amend or Terminate Plans. Except as otherwise expressly provided in Article II, no provisions of this Agreement, including, without limitation, the agreement of MII or MVWC, or any Retained Subsidiary or MVWC Subsidiary, to make a contribution or payment to or under any Plan herein referred to for any period, shall be construed as a limitation on the right of MII or MVWC or any Retained Subsidiary or MVWC Subsidiary to amend such Plan or terminate its participation therein which MII or MVWC or any Retained Subsidiary or MVWC Subsidiary would otherwise have under the terms of such Plan or otherwise, and no provision of this Agreement shall be construed to create a right in any Employee or former Employee, or dependent or beneficiary of such Employee or former Employee under a Plan which such person would not otherwise have under the terms of the Plan itself.

Section 2.14 Reimbursement. MII and MVWC acknowledge that MII and the Retained Subsidiaries, on the one hand, and MVWC and the MVWC Subsidiaries, on the other hand, may incur costs and expenses, including, but not limited to, contributions to Plans and the payment of insurance premiums arising from or related to any of the Plans which are, as set forth in this Agreement, the responsibility of the other party hereto. Accordingly, MII (and any Retained Subsidiary responsible therefor) and MVWC (and any MVWC Subsidiary responsible therefor) shall reimburse each other, as soon as practicable, but in any event within thirty (30) days of receipt from the other party of appropriate verification, for all such costs and expenses.

Section 2.15 Payroll Reporting and Tax Withholding.

(a) Form W-2 Reporting. MVWC and MII hereby adopt the “alternate procedure” for preparing and filing IRS Forms W-2 (Wage and Tax Statements), as described in Section 5 of Revenue Procedure 96-60, 1996-53 I.R.B. 24 (December 30, 1996) (“Rev. Proc. 96-60”). Under this procedure, MVWC as the successor employer shall provide all required Forms W-2 to all MVWC Individuals reflecting all wages paid and taxes withheld by both MII as the predecessor and MVWC as the successor employer for the entire year during which the Distribution takes place. MII shall provide all required Forms W-2 to all Retained Individuals reflecting all wages and taxes paid and withheld by MII before, on and after the Effective Date.

In connection with the aforesaid agreement under Rev. Proc. 96-60, each business unit or business operation of MII shall be assigned to either MII or MVWC, depending upon whether it is a MII Retained Business or a MVWC Business, and each Retained Individual or MVWC Individual associated with such business unit or business operation shall be assigned for payroll reporting purposes to MII or MVWC, as the case may be.

(b) Garnishments. Tax Levies, Child Support Orders, and Wage Assignments. With respect to Employees with garnishments, tax levies, child support orders, and wage

assignments in effect with MII as of November 4, 2011, MVWC as the successor employer with respect to each such Employee who is a MVWC Individual shall honor such payroll deduction authorizations and will continue -to make payroll deductions and payments to the authorized payee, as specified by the court or governmental order which was filed with MII. MII will provide to MVWC a list of MVWC Individuals who have garnishments, tax levies, child support orders and wage assignments in effect as of November 4, 2011.

(c) Authorizations for Payroll Deductions. Unless otherwise prohibited by this or another agreement entered into in connection with the Distribution, or by a Plan document or by law, with respect to Employees with authorizations for payroll deductions and direct deposits in effect with MII as of November 4, 2011, MVWC as the successor employer will honor such payroll deduction authorizations relating to each MVWC Individual, and shall not require that such MVWC Individual submit a new authorization to the extent that the type of deduction by MVWC does not differ from that made by MII. Such deduction types include, without limitation, contributions to any Plan, U.S. Savings Bonds, and United Giver's Fund; scheduled loan repayments to an employee credit union; and direct deposit of payroll, union dues, employee relocation loans, and other types of authorized company receivables usually collectible through payroll deductions.

ARTICLE III
LABOR AND EMPLOYMENT MATTERS

Notwithstanding any other provision of this Agreement or any other Agreement between MVWC and MII to the contrary, MVWC and MII understand and agree that:

Section 3.01 Separate Employers. On and after the Effective Date and the separation of Employees into their respective companies, MVWC and MII will be separate and independent employers.

Section 3.02 Employment Policies and Practices. Subject to the provisions of ERISA and Sections 2.01(c) and (d), MVWC and MII may adopt, continue, modify or terminate such employment policies, compensation practices, retirement plans, welfare benefit plans, and other employee benefit plans of any kind or description, as each may determine, in its sole discretion, are necessary and appropriate, with respect to its Employees.

Section 3.03 Collective Bargaining Agreements.

(a) With regard to Employees of MII and its Subsidiaries covered by a Collective Bargaining Agreement on the Cut-off Date who become MVWC Employees or Retained Employees, MVWC and MII promise and covenant to each other not to take any action which disrupts or otherwise negatively impacts the labor relations of the other.

(b) Effective as of the Effective Date, MVWC or a MVWC Subsidiary shall retain or assume each Collective Bargaining Agreement covering MVWC Employees, including any obligations thereunder requiring contributions to any multiemployer plan as defined in Section 3(37) of ERISA ("Multiemployer Plan"), and MII shall have no further liability thereunder. Effective as of the Effective Date, MII or a Retained Subsidiary shall retain or assume each Collective Bargaining Agreement covering Retained Employees, including any obligations thereunder requiring contributions to any Multiemployer Plan. MVWC shall be solely responsible for any withdrawal liability arising in connection with any Multiemployer Plan in which MVWC Individuals participate, and MII shall have no liability with respect thereto. MII shall be solely responsible for any withdrawal liability arising with respect to any Multiemployer Plan in which Retained Individuals participate, and MVWC shall have no liability with respect thereto.

Section 3.04 Employment Claims.

(a) MVWC will be solely responsible for any uninsured Employment Claims arising with respect to MVWC Individuals on, before or after the Effective Date. MII will be solely liable for any Employment Claims arising with respect to Retained Individuals on, before or after the Effective Date as well as any insured Employment Claims arising with respect to MVWC Individuals on or before the Effective Date.

(b) MVWC and MII acknowledge that avoiding or successfully defending against claims by third parties against either MVWC or MII in any way relating to the employment of any individual by MII before the Distribution, or relating to the employment of any individual by MVWC in connection with its continuing operation of the MVWC Business ("Legal Claims") is essential for the protection of the common legal and financial interests of the Parties; therefore, MVWC and MII intend that upon and after the Effective Date they and their legal counsel shall cooperate fully on the subject of their common legal and financial interests and act in a coordinated fashion in the defense of those interests in the event of a potential or actual Legal Claim. MVWC and MII intend that this Agreement shall apply to all potential or actual Legal Claims, both currently pending and as may arise in the future.

(c) MVWC and MII agree that attorney-client privilege, the work product doctrine and all other evidentiary privileges and non-disclosure doctrines shall apply to the fullest extent permitted by law to any communication of privileged information among counsel for the parties, or between counsel for either party and the other party. In entering into and complying with this Agreement the parties do not intend to waive any such privilege or doctrine.

Section 3.05 Intercompany Service Charge. Professional, managerial, administrative, clerical, consulting, and support or production services provided to one party by personnel of the other party, upon the request of the first party or when such services are otherwise required by this Agreement between MVWC and MII, shall be charged to the party receiving such services on commercially reasonable terms to be negotiated (or in accordance with the provisions of any applicable agreement between the parties).

Section 3.06 WARN Claims. Before and after the Effective Date, each party shall comply in all material respects with the Worker Adjustment and Retraining Notification Act and similar state laws ("WARN"). MII and the Retained Subsidiaries shall be responsible for WARN claims relating to Retained Individuals or to Employees who prior to the Effective Date were employed in a MII Retained Business; MVWC and the MVWC Subsidiaries shall be responsible for WARN Claims relating to MVWC Individuals or to Employees who prior to the Effective Date were employed in a MVWC Business. Each party shall indemnify, defend and hold harmless the other in connection with WARN claims for which the indemnitor is responsible and which are brought against the indemnitee.

Section 3.07 Employees on Leave of Absence. After the Effective Date, MVWC shall assume responsibility, if any, as employer for all Employees returning from an approved leave of absence who prior to the Effective Date were employed in a MVWC Business. After the Effective Date, MII shall assume responsibility, if any, as employer for all Employees returning from an approved leave of absence who prior to the Effective Date were employed in a MII Retained Business.

Section 3.08 Third Party Beneficiary Rights. Except as provided below, neither this Agreement nor any other intercompany agreement between MVWC and MII is intended to nor does it create any third party contractual or other common law rights. No person shall be deemed a third-party beneficiary of the agreements between MVWC and MII.

Section 3.09 Attorney-Client Privilege. The provisions herein requiring either party to this Agreement to cooperate shall not be deemed to be a waiver of the attorney-client privilege for either party nor shall it require either party to waive its attorney/client privilege.

ARTICLE IV
DEFAULT

Section 4.01 Default. If either party materially defaults hereunder, the non-defaulting party shall be entitled to all remedies provided by law or equity (including reasonable attorneys' fees and costs of suit incurred).

Section 4.02 Force Majeure. MVWC and MII shall incur no liability to each other due to a default under the terms and conditions of this Agreement resulting from fire, flood, war, strike, lock-out, work stoppage or slow-down, labor disturbances, power failure, major equipment breakdowns, construction delays, accident, riots, acts of God, acts of United States' enemies, laws, orders or at the insistence or result of any governmental authority or any other delay beyond each other's reasonable control.

ARTICLE V
MISCELLANEOUS

Section 5.01 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the parties, it being understood and agreed that no provision contained herein, and no act of the parties, shall be deemed to create any relationship between the parties other than the relationship set forth herein.

Section 5.02 Access, to Information: Cooperation. MII and MVWC, their respective Subsidiaries and their authorized agents will be given reasonable and timely access to and may take copies of all information relating to the subjects of this Agreement (to the extent permitted by federal and state confidentiality laws) in the custody of the other party, including any agent, contractor, subcontractor, agent or any other person or entity under the contract of such party. The parties will provide one another with such information within the scope of this Agreement as is reasonably necessary to administer each party's Plans. The parties will cooperate with each other to minimize the disruption caused by any such access and providing of information.

Section 5.03 Assignment. This Agreement and all of the provisions hereof shall be binding upon, and inure to the benefit of the parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party (whether by operation of law or otherwise) without the prior written consent of the other party. Notwithstanding the preceding sentence, prior to the consummation of the transactions contemplated by the Distribution Agreement, MVWC) may assign its rights and obligations hereunder to any wholly-owned U.S. Subsidiary of MII other than a Retained Subsidiary, which wholly owned Subsidiary shall, following the Distribution, own all of the assets of MII and its Subsidiaries (including shares of capital stock of Subsidiaries and any other ownership interests in any Person) other than the MII Retained Business. In the event of such an assignment and assumption, the assignor shall be released from all of its obligations under this Agreement and the assignee shall become MVWC for all purposes under this Agreement and the Transaction Agreements.

Section 5.04 Headings. The headings used in this Agreement are inserted only for the purpose of convenience and reference, and in no way define or limit the scope or intent of any provision or part hereof.

Section 5.05 Severability of Provisions. Neither MII nor MVWC intend to violate statutory or common law by executing this Agreement. If any section, sentence, paragraph, clause or combination of provisions in this Agreement is in violation of any law, such sections, sentences, paragraphs, clauses or combinations shall be inoperative and the remainder of this Agreement shall remain in full force and effect and shall be binding upon the parties.

Section 5.06 Notices. All notices, consents, approvals and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given when delivered personally or by overnight courier or three days after being mailed by registered or certified mail (postage prepaid, return receipt requested) to the named representatives of the parties at the following addresses (or at such other address for a party as shall be specified by like notice; except that notices of changes of address shall be effective upon receipt):

(a) if to MII

MARRIOTT INTERNATIONAL, INC.
10400 Fernwood Road
Bethesda, Maryland 20817
Attention: GENERAL COUNSEL
Facsimile: 301-380-6727

(b) if to MARRIOTT VACATIONS WORLDWIDE CORPORATION

6649 Westwood Boulevard, 3rd Floor
Orlando, Florida 32821
Attention: GENERAL COUNSEL
Facsimile: 407-206-6420

with a copy to:

6649 Westwood Boulevard, 1st Floor
Orlando, Florida 32821
Attention: VP, Global Compensation & Benefits
Facsimile: 407-206-6039

Section 5.07 Further Action. MVWC and MII each shall cooperate in good faith and take such steps and execute such papers as may be reasonably requested by the other party to implement the terms and provisions of this Agreement.

Section 5.08 Waiver. MVWC and MII each agree that the waiver of any default under any term or condition of this Agreement shall not constitute a waiver of any subsequent default or nullify the effectiveness of that term or condition.

Section 5.09 Governing Law. All controversies and disputes arising out of or under this Agreement shall be determined pursuant to the laws of the State of New York, regardless of the laws that might be applied under applicable principles of conflicts of laws.

Section 5.10 Consent to Jurisdiction; Waiver of Jury Trial. Each party irrevocably agrees that any legal action or proceeding arising out of or relating to this agreement shall be instituted in any state or federal court sitting in New York City, Borough of Manhattan (and each party agrees not to commence any legal action or proceeding except in such courts), and each party irrevocably submits to the jurisdiction of such courts in any such action or proceeding. Each party irrevocably consents to service of process in any such action or proceeding upon it by mail at its address set forth in Section 5.06 of this Agreement. The foregoing provisions shall not limit the right of any party to bring any such action or proceeding or to obtain execution on any judgment rendered in any such action or proceeding in any other appropriate jurisdiction or in any other manner. EACH PARTY HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT.

Section 5.11 Entire Agreement. This Agreement and the Transaction Agreements constitute the entire understanding between the parties hereto, and supersede all prior written or oral communications, relating to the subject matter covered by said agreements. No amendment, modification, extension or failure to enforce any condition of this Agreement by either party shall be deemed a waiver of any of its rights herein. This Agreement shall not be amended except by a writing executed by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on November 17, 2011, effective as of November 5, 2011.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Kevin M. Kimball
[Name] Kevin M. Kimball
[Title] Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Ralph Lee Cunningham
[Name] Ralph Lee Cunningham
[Title] Executive Vice President

Exhibit 10.4

TAX SHARING AND INDEMNIFICATION AGREEMENT

Between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Dated as of November 21, 2011

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TAX SHARING AND INDEMNIFICATION AGREEMENT

TAX SHARING AND INDEMNIFICATION AGREEMENT (this "Agreement"), signed on November 17, 2011 and effective as of November 21, 2011, by and between, MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC"). Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Separation and Distribution Agreement, dated as of November 19, 2011, between MII and MVWC ("Separation Agreement").

W I T N E S S E T H

WHEREAS, MII is the publicly-traded parent of a multinational group of corporations ("MII Existing Group") and the common parent of an affiliated group of corporations within the meaning of Section 1504(a) of the Code that files consolidated U.S. federal income Tax Returns ("MII Consolidated Group");

WHEREAS, all of the outstanding MVWC Common Stock will be distributed by MII to its shareholders, pro rata based on their respective ownership of shares of MII Common Stock ("Distribution"), and the Distribution will be effected pursuant to, the Separation Agreement, subject to the satisfaction or waiver of the conditions set forth therein;

WHEREAS, prior to the Distribution, (i) the members of the MVWC Group are members of the MII Existing Group, (ii) MVWC is a newly-formed member of the MII Existing Group, and (iii) certain members of the MVWC Group are members of the MII Consolidated Group and also file combined, unitary or other State, local or foreign Tax Returns together with other members of the MII Existing Group;

WHEREAS, as a result of the Distribution, members of the MVWC Group will cease to be members of the MII Existing Group and will cease to file Tax Returns with other members of the MII Existing Group;

WHEREAS, prior to the Distribution, (i) MII will have formed MVW US Holdings, Inc. ("MVW US"), and MII and other members of the MII Group will have undertaken the MVW US Contribution, (ii) MII will have undertaken the MVW US Preferred Stock Sale, and (iii) MII and MVW US will have jointly made the 338(h)(10) Elections;

WHEREAS, prior to the Distribution, members of the MII Group will have undertaken the MVW International Contribution and the Internal Distributions;

WHEREAS, the Parties intend that for United States federal income tax purposes, (i) the MVW US Contribution will be a transaction pursuant to which gain or loss is recognized under Section 1001 of the Code, (ii) MII and MVW US will be eligible to make the 338(h)(10) Elections, (iii) the MVW US Contribution Losses will be recognized and taken into account by the MII Consolidated Group, (iv) the MVW International Contribution will qualify as a tax-free reorganization under Section 368(a)(1)(D) of the Code, (v) the Internal Distributions will qualify for non-recognition of gain or loss under Section 355 of the Code, (vi) the MVWC Contribution

will qualify as a tax-free reorganization under Section 368(a)(1)(D) of the Code; and (vi) the Distribution will qualify for non-recognition of gain or loss under Section 355 of the Code (collectively, "Intended Tax Treatment");

WHEREAS, MII has obtained the Ruling and the Opinion to the effect that, subject to the assumptions set forth therein, the MVW US Contribution, the 338(h)(10) Elections, the MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution will qualify for the Intended Tax Treatment;

WHEREAS, in contemplation of the Distribution, the Parties desire to enter into this Agreement to provide for the allocation among them of the liabilities for Taxes arising prior to, as a result of and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. General. As used in this Agreement, capitalized terms shall have the following meanings:

"338(h)(10) Elections" means the elections under Section 338(h)(10) of the Code (and any corresponding or similar elections under state or local Tax law) that, at MII's option, MII and MVW US will have jointly made or will jointly make with respect to (i) the stock of MORI, (ii) the stock of any direct or indirect domestic corporate subsidiary of MORI, and (iii) the stock of any other domestic corporation contributed to MVW US, in connection with the MVW US Contribution and MVW US Preferred Stock Sale and, in each case, as directed by MII.

"Additional Tax" means:

(i) with respect to a Tainting Act by a MVWC Group member that results, directly or indirectly, in the MII Group not being able to utilize any MVW US Contribution Losses, an amount equal to the sum of (a) the amount of any Tax refund, credit or similar benefit that the MII Consolidated Group would otherwise have received under applicable Tax law if the MVW US Contribution Losses had been utilizable by the MII Consolidated Group and, where relevant, the MII Consolidated Group could have carried back the MVW US Contribution Losses to one or more taxable periods prior to the taxable period during which the MVW US Contribution Losses would have been incurred, and (b) the product of (x) the amount by which the consolidated taxable income (as determined under Treasury regulation section 1.1502-11) of the MII Consolidated Group for the taxable period during which the MVW US Contribution Losses would have been incurred and each successive taxable period thereafter (determined without taking into account any Tax Benefit Attributes of the MII Consolidated Group) otherwise

would have been reduced by the MVW US Contribution Losses, multiplied by (y) the highest marginal corporate tax rate for the applicable taxable period under federal, state or local Tax law, as the case may be;

(ii) subject to clause (i) above and without duplication, with respect to any Tainting Act that affects the amount of any Tax imposed on or attributable to any member of the MII Group for which MII otherwise is responsible under this Agreement, an amount equal to the excess (if any) of (a) the cumulative amount of Tax for which MII is responsible under this Agreement after taking into account any and all Tainting Acts by the MVWC Group, over (b) the cumulative amount of Tax for which MII would be responsible under this Agreement determined without taking into account any Tainting Act; and

(iii) subject to clauses (i) and (ii) and without duplication, with respect to any Tainting Act that affects a Tax Benefit Attribute of any MII Group member, an amount equal to the refund, credit or other similar reduction in otherwise required Tax payments relating to the utilization of such Tax Benefit Attribute that MII otherwise would have recognized if such Tainting Act had not occurred.

"After-Tax Basis" means, with respect to any liability indemnified in this Agreement, the actual amount of any payment to be made with respect to such liability, after giving effect to any tax cost actually incurred by the recipient arising out of the receipt of such payment, and reducing such payment by the value of, any and all federal, state or other Tax benefits actually realized by the recipient in respect of the payment of the indemnified liability, which tax costs and tax benefits shall be treated as actually incurred or actually realized, as the case may be, based on a with-and-without tax calculation and assuming that all other gain, income, loss, deduction and other items are taken into account by the recipient prior to taking into account any such tax cost or tax benefit;

"Agreement" has the meaning assigned in the preamble hereto;

"Allocation" has the meaning assigned in Section 2.03(b);

"Business Day" means any day other than a Saturday, a Sunday and a day on which banks are required or authorized by law to be closed in the City of New York.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time and any successor legislation;

"Consolidated Group" means, with respect to a Person, (i) the MII Consolidated Group if the Person is a member thereof for such taxable period and (ii) the MVWC Consolidated Group if such Person is a member thereof for such taxable period.

"Distribution" has the meaning assigned in the recitals hereof;

"Distribution Date" means the date of the Distribution;

"Distribution Tax" means (i) any Tax, calculated without regard to any Tax

Benefit Attributes of the MII Group, required to be paid by or imposed on any MII Group member resulting from, or arising in connection with, the failure of the MVWC Contribution or the Distribution to qualify for the Intended Tax Treatment, including by reason of the application of Section 355(e) of the Code to the Distribution, and (ii) any and all losses and liabilities relating to or arising from claims of lawsuits by stockholders of MII resulting from the failure of the Distribution to be tax-free to such stockholders under Section 355 of the Code (except with respect to cash received in lieu of fractional shares of MVWC Common Stock);

"Final Determination" means the final resolution of liability for any Tax for any taxable period by or as a result of (i) a final and unappealable decision, judgment, decree or other order of a court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Taxing Authority, an agreement that constitutes a determination under Section 1313(a)(4) of the Code, an agreement contained in an IRS form 870-AD, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under State, local or foreign law; (iii) the expiration of the applicable statute of limitations; or (iv) payment of such Tax, if assessed by a Taxing Authority, pursuant to an agreement in writing by MVWC and MII to accept such assessment;

"Group" of which a Person is a member means (i) the MII Group if the Person is a member of the MII Group and (ii) the MVWC Group if such Person is a member of the MVWC Group;

"Indemnifying Party" has the meaning assigned to Section 4.03;

"Indemnitee" has the meaning assigned to Section 4.03;

"Intended Tax Treatment" has the meaning assigned in the recitals hereof;

"Internal Distribution Tax" means any Tax, calculated without regard to any Tax Benefit Attributes of the MII Group, required to be paid by or imposed on any MII Group member resulting from, or arising in connection with, the failure of the MVW International Contribution or the Internal Distributions to qualify for the Intended Tax Treatment, including by reason of the application of Section 355(e) of the Code to the Internal Distributions;

"Internal Distributions" means, collectively, (i) the distribution of the MVW International Common Stock by MIHC to MII RHG Acquisition SARL ("RHG"), and (ii) the distribution, for U.S. federal income tax purposes, of the MVW International Common Stock by RHG to MII;

"IRS" means the U.S. Internal Revenue Service;

"MII" has the meaning assigned in the preamble hereto;

"MII Common Stock" means the Class A common stock of MII authorized and outstanding on the Distribution Date;

"MII Consolidated Group" has the meaning assigned in the recitals hereof;

"MII Consolidated Return" means any consolidated U.S. federal income Tax Return or amendment thereof of the MII Consolidated Group that includes MVWC or one or more of the MVWC Subsidiaries;

"MII Existing Group" has the meaning assigned in the recitals hereof;

"MII Group" means MII and any Subsidiary of MII that is not a member of the MVWC Group;

"MII Percentage" means 90 percent;

"MII Separate Returns" has the meaning assigned in Section 2.01(c) below;

"MII-MVWC Combined Returns" means any combined, unitary, consolidated or other group or similar Tax Return in respect of any Taxes (including non-income Taxes) filed or to be filed with a State or non-U.S. Taxing Authority that includes both a member of the MII Group and a member of the MVWC Group;

"Mitigation Amount" has the meaning assigned in Section 5.05.

"MORI" means Marriott Ownership Resorts, Inc., a Delaware corporation;

"MVW International Contribution" means the contribution by MII International Holding Company SARL ("MIHC") of MVWC Assets to MVW International Holding Company S.a.r.l. ("MVW International"), in exchange for all of the outstanding common stock of MVW International ("MVW International Common Stock");

"MVW US" has the meaning assigned in the preamble hereto;

"MVW US Contribution" means (i) the contribution by MII of all of the outstanding stock of MORI in exchange for the all of the outstanding preferred stock of MVW US ("MVW US Preferred Stock") and a portion of the outstanding common stock of MVW US ("MVW US Common Stock"), and (ii) the contribution by MII and other members of the MII Group of the outstanding stock of certain other corporations and the outstanding membership interests of certain limited liability companies to MVW US in exchange for the remaining MVW US Common Stock, as set forth in Exhibit A;

"MVW US Contribution Losses" means any losses recognized (i) by MORI and its corporate subsidiaries as a result of the MVW US Contribution, the MVW US Preferred Stock Sale and the 338(h)(10) Elections, or (ii) by MII or any other member of the MII Group as a result of contributing stock or membership interests to MVW US in exchange for MVW US Common Stock pursuant to the MVW US Contribution and the MVW US Preferred Stock Sale;

"MVW US Preferred Stock Sale" means the sale of all of the MVW US Preferred Stock by MII to unrelated third party investors pursuant to a pre-existing binding commitment that was entered into by MII and such investors prior to the MVW US Contribution;

"MVW US Restricted Transaction" means (i) any redemption by MVW US, or an

acquisition by any member of the MVWC Group or any third party acquisitions on behalf of a member of the MVWC Group, of the MVW US Preferred Stock prior to the day that is the fifth anniversary of the Distribution Date, except for any redemption of the MVW US Preferred Stock pursuant to a "Change in Control" in accordance with Certificate of Designation of the MVW US Preferred Stock, (ii) any issuance by MVW US of any common stock or preferred stock prior to the day that is the fifth anniversary of the Distribution Date, and (iii) any liquidation or dissolution of MVW US prior to the day that is the fifth anniversary of the Distribution Date;

"MVWC" has the meaning assigned in the preamble hereto;

"MVWC Assets" has the meaning assigned in the Separation Agreement;

"MVWC Business" has the meaning assigned in the Separation Agreement;

"MVWC Common Stock" means the single class of authorized and outstanding common stock of MVWC;

"MVWC Consolidated Group" means the affiliated group of corporations (as defined in Section 1504(a) of the Code) as in existence after the Distribution Date of which MVWC is the common parent;

"MVWC Contribution" means the transfer of MVWC Assets by MII to MVWC pursuant to the Separation Agreement;

"MVWC Group" means MVWC and any Subsidiary, from time to time, of MVWC after the MVWC Contribution;

"MVWC Percentage" means 10 percent;

"MVWC Separate Returns" has the meaning assigned in Section 2.01(c);

"Opinion" means the tax opinion rendered by Shearman & Sterling LLP to the effect that, subject to the assumptions, limitations and representations set forth therein, the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, and the Distribution all satisfy the requirements for the Intended Tax Treatment;

"Party" means each of MII and MVWC;

"Person" has the meaning assigned in the Separation Agreement;

"Post-Distribution Period" means any Tax period beginning after the Distribution Date and the portion of any Straddle Period commencing after the Distribution Date;

"Pre-Distribution Period" means any Tax period ending on or before the Distribution Date and the portion of any Straddle Period ending on the Distribution Date;

"Regulations" means the final, temporary and proposed Treasury regulations promulgated under the Code;

"Restricted Transaction" means any transaction or series of transactions by a Person during the period from the Distribution Date to the first day after the second anniversary of the Distribution Date that would:

(i) cause or allow the MII Consolidated Group or the MVWC Consolidated Group not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by the members of its Consolidated Group;

(ii) cause or allow MVW International not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by MVW International;

(iii) cause or allow MIHC or RHG not to be engaged in the active trade or business (for purposes of Section 355(b) of the Code and Regulations thereunder) that in the Tax Representation is represented to be conducted by MIHC or RHG;

(iv) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets of the MII Consolidated Group or the MVWC Consolidated Group (as it exists on the day after the date of the Distribution) other than pursuant to sales or transfers in the ordinary course of business or to members of the "separate affiliated group" of MII or MVWC (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), as the case may be;

(v) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets of MVW International (as it exists on the day after the date of the Internal Distributions) other than pursuant to sales in the ordinary course of business or to members of the "separate affiliated group" of MVW International (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution);

(vi) sell, exchange, distribute, transfer or otherwise dispose of or agree to transfer or dispose of (all as determined for U.S. federal income tax purposes) 50 percent or more of the gross assets MIHC or RHG (as it exists on the day after the date of the Internal Distributions) other than pursuant to sales in the ordinary course of business or to members of the "separate affiliated group" of MIHC or RHG (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), as the case may be;

(vii) in the case of MII, MIHC, RHG, MVWC or MVW International, dissolve, liquidate or involve a merger, consolidation, reincorporation or other reorganization of such Person (other than, in the case of the Distribution, with another member of that Person's "separate affiliated group" (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution), or, in the case of an Internal Distribution, with another member of that Person's "separate affiliated group" (as defined in Section 355(b)(3) of the Code and as it exists on the day after the date of the Distribution));

(viii) in the case of MII, MIHC, RHG, MVWC or MVW International, redeem or otherwise purchase any of its outstanding common stock other than through stock purchases meeting the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to its amendment by Revenue Procedure 2003-48);

(ix) in the case of MII, MIHC, RHG, MVWC or MVW International, issue any of its stock (including, without limitation, restricted stock or any instrument convertible or exchangeable into stock), unless such stock is issued in exchange for property, services or cash of approximately equivalent value and

(1) solely in the case of the MII Group, does not constitute (individually or in the aggregate) more than 49 percent of the aggregate value or aggregate voting power of its capital stock outstanding immediately after the Distribution or the relevant Internal Distribution; or

(2) is issued (A) to an employee or director in connection with the performance of services (and the stock issued is not excessive by reference to the services performed) in accordance with Safe Harbor VIII in Section 1.355-7(d) of the Regulations or (B) pursuant to the exercise of a Substitute Equity Award;

(x) In the case of MII, MIHC, RHG, MVWC or MVW International, enter into any agreements for sale or other disposition of its capital stock or amend its certificate of incorporation or other organizational documents or take any other action through shareholder vote or otherwise that affects the relative economic or voting rights of its outstanding stock (including, without limitation, any recapitalization, stock dividend or otherwise); and

(xi) enter into, or take affirmative steps in relation to, any negotiations, agreements or arrangements with respect to transactions or events (including stock issuances, option grants, capital contributions,

acquisitions and changes in the voting power of any of its stock) that, separately or in conjunction with other transactions, may cause the Distribution or an Internal Distribution to be treated as part of a plan pursuant to which one or more persons acquire directly or indirectly stock representing a "50 percent or greater interest" in such Person within the meaning of Section 355(e)(4) of the Code.

"Restructuring Tax" means any Tax (other than any Distribution Tax, Internal Distribution Tax, Additional Tax, Transfer Tax or Section 338 Taxes) imposed on or attributable to a Group member that arises from or is attributable to the distribution, transfer, assignment, other disposition, receipt, purchase or other acquisition of MVWC Assets in connection with and in preparation for the Distribution;

"Ruling" means the private letter ruling issued by the IRS to MII in connection with the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, or Distribution, together with any supplements issued by, and submissions to, the IRS with respect to such Ruling;

"Section 338 Taxes" means any Tax directly resulting from the 338(h)(10) Election, or any election under Section 338(g) of the Code made by any member of the MII Group in connection with the MVW US Contribution;

"Straddle Period" means a Tax Period beginning on or before, and ending after, the Distribution Date;

"Subsidiary" has the meaning assigned in the Separation Agreement;

"Substituted Equity Award" means any (vested or unvested) employee stock option, restricted stock unit or other equity award in respect MII Common Stock or MVWC Common Stock (the grant, exercise, vesting or settlement of which is subject to Section 83(a) of the Code) that has been converted pursuant to the Employee Benefits and Other Employment Matters Allocation Agreement, effective as of November 21, 2011, by and between MII and MVWC from a (vested or unvested) employee stock option, restricted stock unit or other equity award (the grant, exercise, vesting or settlement of which is subject to Section 83(a) of the Code) that was granted by a member of the MII Existing Group to an employee of the MII Existing Group prior to the Distribution Date;

"Tainting Act" means (i) any act, failure to act or omission of or by any member of its Group that is inconsistent with the Intended Tax Treatment, the Ruling, the Tax Representations or any covenant or information submitted to the IRS or with respect to the Ruling; (ii) a failure of any of its representations made herein to be true and complete when made; (iii) the breach by any member of its Group of any covenant made herein by it; or (iv) any other action or omission by any member of its Group that is not required pursuant to this Agreement or the Separation Agreement, where such member knows or reasonably should expect, after consultation with is tax advisor, will give rise to Additional Tax, Restructuring Tax, Internal Distribution Tax or Distribution Tax;

"Tax Benefit Attribute" means any net operating loss, net capital loss, foreign tax credit, general business credit, fuel credit, minimum tax credit or any other similar Tax attribute;

"Tax Package" has the meaning assigned in Section 6.01(b) below;

"Tax Representations" means the representations and covenants submitted or made by MII and it Subsidiaries in connection with obtaining the Ruling;

"Tax Return" means any Tax return, declaration, statement, report, form and information return relating to Taxes, including any amendments thereto and any related or supporting information;

"Tax" or "Taxes" means (i) any federal, State, local or foreign income, gross receipts, franchise, estimated, extension, alternative minimum, add-on minimum, sales, use, goods and services, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee, withholding or other tax of any kind whatsoever, and (ii) any levies, duties, customs or other charges or assessments in the nature of or in lieu of any tax, in each case, imposed by a governmental authority and including any interest, penalties or additions to tax or additional amounts in respect of the foregoing;

"Taxing Authority" means any governmental body, agency, commission or authority having jurisdiction over the assessment, determination, collection or imposition of any Tax;

"Transfer Taxes" has the meaning assigned in Section 2.04; and

"Unqualified Tax Opinion" means a written tax opinion at a "will" level of Shearman & Sterling LLP or an independent tax counsel reasonably acceptable to MII to the effect that the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, and the Distribution qualify for the Intended Tax Treatment.

Section 1.02. Interpretation. The provisions of Section 11.16 of the Separation Agreement are incorporated by reference and shall apply to the terms and provisions of this Agreement and the Parties hereto *mutatis mutandis*.

ARTICLE 2
PREPARATION AND FILING OF TAX RETURNS, PAYMENT OF TAXES

Section 2.01. Preparation and Filing of Tax Returns.

(a) MII Consolidated Returns. For each taxable year for which MII files a consolidated federal income Tax Return that begins on or before the Distribution Date, MII shall include all members of the MVWC Group that is permitted to be included under applicable law in such Tax Return. MII shall prepare and timely file (or cause to be prepared and timely filed) with the IRS any and all such MII Consolidated Returns

(including extension requests, and other documents and statements). MII Consolidated Returns shall include all income, gains, losses, deductions, credits and other Tax attributes of the members of the MVWC Group that are members of the MII Consolidated Group for all taxable periods for which MII is entitled to include such member of the MVWC Group in such Tax Returns. To the extent permitted under applicable Tax law, MVWC agrees to, and shall compel each other such included member of the MVWC Group to, (i) file or join in the filing of such Tax Returns, provide such authorizations, elections, consents and other documents as may be required in connection with such filings, and (ii) take such other actions as may be necessary, in the judgment of MII, to prepare, complete and timely file MII Consolidated Returns and to carry out the purposes and intent of this Section 2.01(a).

(b) MII-MVWC Combined Returns. MII shall prepare and file (or cause to be prepared and filed) with the Tax Authority of the relevant State or non-U.S. jurisdiction any MII-MVWC Combined Returns. To the extent permitted under applicable Tax law, MVWC agrees to, and shall compel each other member of the MVWC Group whose Tax information is included in any MII-MVWC Combined Return to, (i) evidence agreement to be included in such Tax Return on the appropriate form and (ii) take such other action as may be appropriate, in the opinion of MII, to carry out the purposes and intent of this Section 2.01(b).

(c) Separate Returns. MII shall be responsible for the preparation and filing of any other Tax Return with respect to any Tax (including non-income Taxes) that includes a member of the MII Group (the "MII Separate Returns"). For any Tax Return with respect to any Tax (including non-income Taxes) that includes a member of the MVWC Group or their operations or assets and that does not include any member of the MII Group or their operations or assets (the "MVWC Separate Returns"), MII shall be responsible for the preparation of any MVWC Separate Return that relates to a taxable period that ends on or prior to, or that includes but does not end on, the Distribution Date, which shall be prepared in a manner consistent with the current practice, elections, positions and methods used in filing the MVWC Separate Return, and MVWC shall be responsible for the filing of such MVWC Separate Return; provided that, in the case of a MVWC Separate Return that relates to a taxable period that includes but does not end on the Distribution Date, MVWC shall provide MII with information with respect to the portion of such taxable period that begins after the Distribution Date that is necessary to prepare such MVWC Separate Return, which information will be prepared on a basis consistent with the current practices of such MVWC Separate Return.

(d) Right of Review. MII shall have exclusive responsibility for and control of the preparation and filing of MII Consolidated Returns, MII-MVWC Combined Returns, MII Separate Returns and any other Tax Return filed with any Taxing Authority in connection with the determination of the U.S. federal income tax liability of the MII Consolidated Group or a Tax liability with respect to a MII-MVWC Combined Return or MII Separate Return; provided, that, for a taxable period prior to or including the Distribution Date, such Tax Returns shall be prepared in a manner consistent with MII's (or its relevant Subsidiary's) current practice, elections, positions and methods used in filing the relevant Tax Returns, unless otherwise required by applicable Tax law or as

determined in good faith by MII. Notwithstanding the foregoing, MII shall notify MVWC of any portion of any such Tax Return that relates to the MVWC Group and is not prepared in a manner consistent with current practice or does not reflect a current election, position or method used in filing the relevant Tax Return. With respect to MVWC Separate Returns prepared by MII pursuant to Section 2.01(c), MII shall provide MVWC with a reasonable opportunity to review such MVWC Separate Return, including any allocation of Taxes for a Straddle Period pursuant to Section 2.02(c), and shall consider in good faith the reasonable comments made by MVWC with respect to such Tax Returns, and the Parties shall attempt in good faith to resolve any disagreements resulting from such review.

(e) Authorizations. MII and MVWC shall, to the extent permitted under applicable Tax law and if necessary or appropriate, shall cause their respective Subsidiaries to, prepare, sign and timely file any consents, elections, powers of attorney and other documents, and shall take any other actions necessary or appropriate, to effect the filing of any Tax Return pursuant to this Section 2.01 or to contest such Tax Return in accordance with Section 5.03.

Section 2.02. Allocation and Payment of Taxes

(a) Pre-Distribution Period. MII shall be liable for and shall pay (or cause to be paid) to the relevant Taxing Authority any Taxes of or relating to any member of the MII Existing Group for any Pre-Distribution Period (other than any portion of a Straddle Period).

(b) Post-Distribution Period. MVWC shall be liable for and shall pay (or cause to be paid) to the relevant Taxing Authority any Taxes of or relating to MVWC and any member of the MVWC Group for any Post-Distribution Period (other than any portion of a Straddle Period).

(c) Straddle Period. With respect to any Tax Return for a Straddle Period that includes a member of the MVWC Group or any such member's assets or operations, the Parties and their respective Subsidiaries shall treat, and elect to treat the Distribution Date as the last day of the Tax period. If no such election is permitted, the Taxes for the Straddle Period shall be allocated to the Pre-Distribution Period as follows: (A) in the case of real or personal property taxes, taxes based on capital, or a flat minimum amount tax, the total amount of such Taxes multiplied by a fraction, the numerator of which is the number of days in the partial period through and including the Distribution Date and the denominator of which is the total number of days in such Straddle Period; (B) in the case of all other Taxes based on or in respect of income, the Tax computed on the basis of the taxable income or loss of MVWC and any member of the MVWC Group, as applicable, for such partial period determined from its books and records based upon an actual closing of the books methodology; and (C) in the case of all other Taxes, the Tax computed on the basis of the actual activities or attributes of MVWC or any member of the MVWC Group, as applicable, for such partial period as determined from its books and records. MII shall pay or cause to be paid to MVWC such amount of Straddle Period Taxes that is attributable to the Pre-Distribution Period under this Section 2.02 within 5

Business Days prior to the actual due date for payments in respect of the corresponding Tax Return for such Straddle Period Taxes. MVWC shall be responsible for any Taxes attributable to the portion of the Straddle Period that begins after the Distribution Date as allocated under this Section 2.02(c).

(d) Taxes Not Shown on a Tax Return. Each Party, or its respective Subsidiary, shall timely pay when due any Taxes not shown on a Tax Return filed by a member of a Group, such as Taxes invoiced by a Taxing Authority.

(e) Utilization of Tax Benefit Attributes. No Group member that utilizes a Tax Benefit Attribute of a member of the other Group shall be required to compensate or make any payment to such member of the other Group with respect to the utilization of such Tax Benefit Attribute.

Section 2.03. 338(h)(10) Elections

(a) MVWC, MVW US and/or the applicable Subsidiary of MVW US shall join MII in making timely and irrevocable 338(h)(10) Elections. MVW US shall cooperate with MII and take all actions necessary and appropriate (including filing such additional forms, Tax Returns, elections, schedules and other documents as may be required), as permitted by applicable Tax law, to effect and preserve the 338(h)(10) Elections in accordance with the provisions of Section 1.338(h)(10)-1 of the Regulations. At MII's direction, MVWC, MVW US and/or the applicable Subsidiary of MVW US shall jointly execute with MII an IRS Form 8023 (and any similar state or local forms) for MORI and, as directed by MII and as permitted by applicable Tax law, any domestic corporate subsidiary of MORI, and MVWC, MVW US and/or such Subsidiary shall timely file such IRS Form 8023s (and any similar state or local forms), with the IRS (and any applicable state or local taxing authorities) and MVWC shall provide MII with a copy of each IRS Form 8023 (and any state or local forms) so filed within 10 days after filing.

(b) MII shall prepare an allocation of the applicable consideration among the assets of MORI and any corporate subsidiary of MORI for which a 338(h)(10) Election is made ("Allocation") and shall deliver the Allocation to MVW US. MII shall consider in good faith any written comments received by MVW US within 20 days of MII's delivery of the Allocation. Within 30 days of MII's delivery of the Allocation, MVWC, MVW US and /or the applicable Subsidiary of MVW US shall prepare consistently therewith (as adjusted to reflect any written comments by MVW US that were accepted by MII) an IRS Form 8883 (and any similar forms required by applicable state and local Tax laws) for MORI and any corporate subsidiary of MORI for which a 338(h)(10) Election is made, and promptly deliver copies of such forms to MII for MII's review and approval.

(c) MVW US and each other member of the MVWC Group shall timely file all Tax Returns (including, but not limited to, IRS Form 8023s and IRS Form 8883s) consistent with the 338(h)(10) Elections and, except as required pursuant to a Final Determination, shall not to take, or cause to be taken, any action that would be inconsistent with the 338(h)(10) Elections or the final Allocation in any Tax Return, audit, litigation or otherwise.

(d) To the extent that MVW US has a non-U.S. subsidiary and an election under Section 338(g) of the Code could be made with respect to non-U.S. subsidiary, MII shall determine whether such an election will be made and, where relevant, the foregoing provisions of this Section 2.03 shall apply.

Section 2.04. Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, the Parties agree that all sales, use, transfer, intangible, recordation, documentary stamp or similar Taxes or charges of a similar nature, applicable to, or resulting from, (i) the 338(h)(10) Elections and any election under Section 338(g) of the Code, (ii) the MVW US Contribution, (iii) the MVW International Contribution, (vi) the Internal Distributions, (v) the MVWC Contribution, (vi) the Distribution and (viii) any other distribution, transfer, assignment other disposition, receipt, purchase or other acquisition of MVWC Assets in connection with and in preparation for the Distribution ("Transfer Taxes") shall be borne by MII. MVWC and each other MVWC Group member agrees to cooperate with MII in mitigating the imposition or assessment of any Transfer Taxes and, to the extent permitted under applicable Tax law, shall take any actions as may be necessary, in the judgment of MII, to mitigate the imposition or assessment of Transfer Taxes. MII shall determine the manner in which any Transfer Taxes and any corresponding transactions are reported for Tax purposes, including any position that no Transfer taxes are due and payable and, unless otherwise required pursuant to a Final Determination, no member of the MVWC Group shall take any action that is inconsistent with the manner in which such Transfer Taxes and transactions are reported. MII shall file all necessary documentation with respect to such Transfer Taxes on a timely basis; provided that MVWC shall cooperate with the preparation of any such documentation and, to the extent required by applicable Tax law, will timely file such documentation.

ARTICLE 3
TAX MATTERS

Section 3.01. Use of Tax Benefit Attributes.

(a) Carrybacks. If a Tax Benefit Attribute arises in any taxable period beginning after the Distribution Date in respect of any Tax Return, to the fullest extent permitted under applicable Tax law, the MVWC Consolidated Group, or the relevant member of the MVWC Group, as applicable, shall waive the carryback of such Tax Benefit Attribute. To the extent such a waiver is not permitted under applicable Tax law, MVWC shall be entitled to any refund for Tax obtained by the MII Group (or any member of the MII Group) as a result of the carryback of losses or credits of any member of such MVWC Group from any taxable period beginning on or after the Distribution Date to any taxable period ending on or before the Distribution Date, provided that MVWC has notified MII with respect to such carryback. Such refund shall be limited to the net amount received by the MII Group (by refund, offset against other Taxes or otherwise), net of any net Tax cost and other expenses incurred by the MII Group with respect to such refund, and shall be paid within 30 days after payment is received (or deemed received by reason of the reduction of Taxes otherwise payable) by the MII

Group from a Taxing Authority. The application of such carrybacks (if any) by MVWC and/or any Subsidiary of MVWC shall be in accordance with the Code and the Regulations promulgated thereunder or other applicable Tax laws. If any such refund is subsequently disallowed, MVWC shall promptly pay to MII the full amount of such refund (together with any interest or penalties that are imposed).

(b) Carryforwards. MII shall promptly notify MVWC (a) of any consolidated carryover item that may be partially or totally allocable to a member of the MVWC Group and carried over to a taxable period beginning after the Distribution Date and (b) of subsequent adjustments which may affect such carryover item. MII shall determine that allocation of consolidated carryover items in its sole discretion but agrees to consider in good faith any reasonable written comments provided by MVWC in respect of any such allocation. Notwithstanding anything to the contrary contained in this Agreement, no MVW US Contribution Losses will be allocated to a member of the MVWC Group.

(c) Use of Tax Benefit Attributes By Related Persons. No member of the MVWC Group shall enter into a transaction after the Distribution Date with the principal purpose or effect of reducing a Tax Benefit Attribute that otherwise could be used or available to the MII Group, without MII's prior written consent.

Section 3.02. Pre-Distribution Earnings and Profits.

(a) MII shall, in accordance with Section 1.312-10(a) of the Regulations, allocate earnings and profits between MII and MVWC, and such allocation shall control for taxable periods beginning after the Distribution Date; provided, however, that MII shall provide MVWC a reasonable opportunity to review, and provide written comments to, such allocation of earnings and profits and shall consider in good faith the reasonable comments made by MVWC with respect to such allocation and/or reductions.

(b) MII shall in its sole discretion determine any allocations and/or reductions of earnings and profits and foreign taxes paid or accrued with respect to the Internal Distributions, and such allocations and/or reductions shall control for taxable periods (or portions thereof) beginning after the Distribution Date; provided, however, that MII shall provide MVWC a reasonable opportunity to review, and provide comments to, such allocation and/or reductions of earnings and profits and foreign taxes paid or accrued and shall consider in good faith the reasonable comments made by MVWC with respect to such allocation and/or reductions.

(c) As reasonably requested by MVWC, MII agrees to provide MVWC with copies of any workpapers or other documentation that were used in connection with determining the allocations and/or reductions of earnings and profits and foreign taxes paid or accrued under Sections 3.02(a) and (b).

Section 3.03. Section 83(h) Matters. Subject to Section 5.05:

(a) MII (or the relevant other member of the MII Group) shall be entitled to any deduction under Sections 83(h) and 162 of the Code (and any corresponding Tax Benefit Attributes) in respect of Substituted Equity Awards held by employees of any member of the MII Group; and

(b) MVWC (or the relevant other member of the MVWC Group) shall be entitled to any deduction under Sections 83(h) and 162 of the Code (and any corresponding Tax Benefit Attributes) in respect of Substituted Equity Awards held by employees of any member of the MVWC Group.

Section 3.04. MVWC Consolidated Group. MII intends that the MVW US Contribution and MVW US Preferred Stock Sale will not be structured in such a way as to cause MVWC to fail to own stock of MVW US possessing less than 80 percent of the total voting power or value (within the meaning of Code Section 1504(a)(2)).

Section 3.05. Consistency in Filing Tax Returns.

(a) On or after the Distribution Date, neither Party shall, nor shall permit any member of its Group to, make or change any accounting method, change its taxable year, amend any Tax Return or take any Tax position on any Tax Return, take any other action, omit to take any action, or enter into any transaction, that may reasonably be expected to result in any increased Tax liability of a member of the other Group, except with the prior written consent of MII or MVWC, as the case may be, which consent shall not be unreasonably withheld or delayed; provided, however, that the Parties agree that any changes by the MVWC Group in the Post-Distribution Period in the character or amount of payments between and among members of the MVWC Group in connection with services, sales or licensing activities in order to comply with Code Section 482 and the Regulations thereunder, or an analogous provision under U.S. federal, state and local or non-U.S. law (including the change in the characterization of a payment from a service payment to a royalty payment or a reduction in the level of payments) shall not be subject to this Section 3.05(a). MII and MVWC each agrees to file, and to cause the other members of its Group, to file, all U.S. federal, State and local income Tax Returns in accordance with this Article 3.

(b) Unless otherwise required by a Final Determination, the tax treatment reported on any Tax Return of the MVWC Group shall be consistent with the Intended Tax Treatment. To the extent that there are transactions relating to the Distribution that are not covered by the Intended Tax Treatment, MII shall determine the proper Tax treatment for such transactions and the method of reporting such transactions on any Tax Return, and such treatment and reporting method shall be used by the MVWC Group in preparing and filing any Tax Return of the MVWC Group.

ARTICLE 4
INDEMNITY

Section 4.01. Indemnification.

(a) Indemnification by MVWC. MVWC shall, on an After-Tax basis, indemnify the MII Group against and hold the MII Group harmless from:

(i) except to the extent such amount relates to Additional Taxes, Restructuring Taxes, Internal Distribution Taxes or Distribution Taxes, any Taxes of or relating to MVWC and any member of the MVWC Group for, and allocated hereunder, to any Post-Distribution Period, including the increase in the amount of any such Taxes as a result of a Final Determination, as described in Section 5.04;

(ii) the MVWC Percentage of any amount of Internal Distribution Tax and Distribution Tax, except to the extent due to a Tainting Act;

(iii) any amount of Restructuring Tax, Internal Distribution Tax or Distribution Tax resulting from a Tainting Act of any member of the MVWC Group; and

(iv) any amount of Additional Tax.

(b) Indemnification by MII. MII shall, on an After-Tax basis, indemnify the MVWC Group against and hold the MVWC Group harmless from:

(i) except to the extent such amount relates to Additional Taxes, Internal Distribution Taxes or Distribution Taxes, (i) Taxes of or relating to MII and any member of the MII Existing Group for, and allocated hereunder, to any Pre-Distribution Period, (ii) Section 338 Taxes, (iii) Restructuring Taxes (except as provided in Section 4.01(a)(iii)), and (iv) liabilities of any member of the MVWC Group for Taxes of any Person as a result of such member of the MVWC Group being, or having been, on or before the Distribution Date, a member of a consolidated group under Regulations section 1.1502-6(a);

(ii) the MII Percentage of any amount of Internal Distribution Tax and Distribution Tax, except to the extent due to a Tainting Act; and

(iii) any amount of Internal Distribution Tax or Distribution Tax resulting from a Tainting Act of any member of the MII Group.

(c) Notwithstanding Section 4.01(a) and Section 4.01(b), to the extent that a Restructuring Tax, Internal Distribution Tax or Distribution Tax arises as a result of a Tainting Act by both the MII Group and the MVWC Group, the amount of indemnification under Section 4.01(a) and Section 4.01(b) shall be based on the MVWC Percentage and the MII Percentage, respectively.

(d) To the extent that, as a result of a Final Determination, the MVW US Contribution Losses are disallowed, in whole or in part, with respect to the MII Consolidated Group and such failure does not result, directly or indirectly, from a Tainting Act by a MVWC Group member, and such MVW US Contribution Losses are available to the MVWC Consolidated Group, then as the assets that correspond to such

MVW US Contribution Losses are transferred to a Person that is not a member of the MVWC Consolidated Group (but if to a member of the MVWC Group that is not a member of the MVWC Consolidated Group, only after section 267(f) ceases to apply) MVWC shall pay to MII, within 20 days after the filing of the US federal income tax return of the MVWC Consolidated Group for the year of the relevant transfers, an amount equal to 38 percent of the disallowed MVW US Contribution Losses that are attributable to the assets transferred; provided, however, that (i) to the extent that transfers of assets that correspond to the MVW US Contribution Losses result in losses to the MVWC Consolidated Group for any given taxable year but the MVWC Consolidated Group has a net operating loss for such taxable year ("NOL Carryforward") without regard to the losses resulting from the transfer of such assets, MVWC shall not be liable under this Section 4.01(d) until the MVWC Consolidated Group absorbs the NOL Carryforward (or a portion thereof but only to the extent of such portion) against its consolidated taxable income (as determined under Treasury regulation section 1.1502-11), which NOL Carryforward shall be treated as being absorbed in any subsequent taxable year prior to any MVW US Contribution Losses that are recognized in such subsequent taxable year (and, if not absorbed, any such MVW US Contribution Losses will be treated as an NOL Carryforward for purposes of this Section 4.01(d)), and, if a portion of the NOL Carryforward is absorbed in a subsequent taxable year, the MVW US Contribution Losses that comprise the NOL Carryforward will be treated as being absorbed prior to any other losses that comprise the NOL Carryforward, and, if such NOL Carryforward expires, MVWC shall not be liable under this Section 4.01(d), and (ii) subject to clause (i) of this proviso, to the extent that in a given taxable year, assets that correspond to the MVW US Contribution Losses are transferred and result in losses and the MVWC Consolidated Group has a NOL Carryforward for such taxable year only after taking into account such losses, MVWC shall be currently liable under this Section 4.01(d) in respect of the excess of the MVW US Contribution Losses over the amount of the NOL Carryforward but MVWC shall not currently be liable under this Section 4.01(d) in respect of the amount of the NOL Carryforward, which shall be taken into account in accordance with clause (i) of this proviso. For the avoidance of doubt, (a) the amount of MVW US Contribution Losses in respect of an asset is the amount by which the tax basis of the asset exceeded its fair market value as of the date of the Distribution, as determined by MII in connection with the MVW US Contribution, (b) to the extent transfers of assets that correspond to the MVW US Contribution Losses result in losses that exceed the corresponding MVW US Contribution Losses for such assets, for purposes of this Section 4.01(d), the MVW US Contribution Losses will be treated as being used first by the MVWC Consolidated Group, and (c) MVWC shall be required to make payments under this Section 4.01(d) regardless of whether the transfer results in a gain or additional loss, in each case, for U.S. federal income tax purposes. MVWC agrees to provide, upon a reasonable written request by MII, information regarding the assets that correspond to the MVW US Contribution Losses, including any transfers thereof and the use of any losses in respect of the transfers of such assets.

(e) To the extent that MVW International has made one or more distributions to MVWC out of any earnings and profits allocated to MVW International in connection with the MVWC Contribution and Internal Distributions and (I) as a result of a Final Determination in respect of an audit or other proceeding that begins on or prior

to the 6th anniversary of the Distribution Date, additional U.S. federal income taxes in excess of $2 million are imposed on MVWC (or any member of the MVWC Consolidated Group) in respect of such distribution(s) solely because either (i) the amount of earnings and profits that were allocated to MVW International in connection with the MVW International Contribution and Internal Distributions is determined to be greater than such amount of earnings and profits that were allocated or (ii) the amount of foreign taxes paid or accrued that are creditable for U.S. federal income tax purposes and that were allocated to MVW International in connection with the MVW International Contribution and Internal Distributions is determined to be less than such amount of creditable foreign taxes paid or accrued that were allocated, or (II) solely as a result of the allocation to MVW International of earnings and profits and/or foreign taxes paid or accrued that are creditable for U.S. federal income tax purposes, as determined by MII pursuant to Section 3.02(b), additional U.S. federal income taxes in excess of $2 million are imposed on MVWC (or any member of the MVWC Consolidated Group) in respect of such distribution(s) and reported on the applicable U.S. federal income tax return for the MVWC Consolidated Group, then (a) MVWC will be responsible for any such additional U.S. federal income taxes until the amount of such additional U.S. federal income taxes equals $750,000, and (b) MII will be responsible for and will indemnify MVWC against any such additional U.S. federal income taxes in excess of $750,000; provided that (x) MII will have sole and exclusive control over any audit or other proceeding relating to the allocation and substantiation of such earnings and profits or creditable foreign taxes paid or accrued that begins on or prior to the 6th anniversary of the Distribution Date (and any related proceedings that arise after the 6th anniversary of the Distribution Date), (y) any payments by MII under this Section 4.01(e) shall be made 20 days after the applicable Final Determination in the case of clause (I) above, or 20 days after the due date (including extensions obtained) for the applicable U.S. federal income tax return of the MVWC Consolidated Group, and (z) for the avoidance of doubt, MII will not be required to indemnify MVWC under this section 4.01(e) in respect of any such additional U.S. federal income taxes that are imposed as a result of any audit or other proceeding that begins after the 6th anniversary of the Distribution Date.

Section 4.02. Treatment of Indemnity Payments. Except to the extent otherwise required by applicable Tax law, any indemnity payment hereunder shall be treated, for all Tax purposes, as made immediately before the Distribution (i) as a distribution by MVWC to MII, if made pursuant to Section 4.01(a), and (ii) as a contribution by MII to MVWC, if made pursuant to Section 4.01(b).

Section 4.03. Timing of Indemnity Payments. To the extent that one Party (the "Indemnifying Party") has an indemnification obligation to another Party (the "Indemnitee"), the Indemnitee shall provide the Indemnifying Party with a written claim that includes its calculation of the amount of such indemnification payment. Such calculation shall provide sufficient detail to permit the Indemnifying Party to reasonably understand the calculations. The Indemnifying Party shall make the required payment to the Indemnitee within ten Business Days of receipt of such claim, but in no event more than five Business Days prior to the due date of the related payment of Taxes to the relevant Taxing Authority (including extensions), unless explicitly provided otherwise in this Agreement. Any Party making an indemnification payment under this Agreement shall have the right to reduce any such payment by any amounts owed to it by the other Party to this Agreement.

Section 4.04. Refunds of Indemnified Taxes. If any portion of Taxes with respect to which the Indemnitee is indemnified by the Indemnifying Party pursuant to Section 4.01 is refunded by a Taxing Authority, such refund, including any related interest thereon but net of any Taxes or out-of-pocket costs and expenses incurred by the Indemnitee in connection with such refund, shall be the property of the Indemnifying Party that made a payment to the Indemnitee pursuant to Section 4.01, and, if received by the Indemnitee that received the payment pursuant to Section 4.01, such Indemnitee shall promptly pay over such refund, including any related interest thereon but net of any cost and expense incurred by the Indemnitee in connection with such refund, to the Indemnifying Party that made the payment.

ARTICLE 5
REFUNDS, AUDITS, CONTROVERSIES, ADJUSTMENTS

Section 5.01. Refunds. Except to the extent set forth in Section 4.04, MII shall have the right to any Tax refunds or other Tax benefits, and any interest thereon, in respect of any MII Consolidated Return, any MII-MVWC Combined Return, any MII Separate Return and, to the extent allocable to a Pre-Distribution Period under this Agreement, any MVWC Separate Return and MVWC shall promptly pay over to MII any refund to which MII is entitled pursuant to this Section 5.01 that is received by a member of the MVWC Group. MVWC shall have the right to any Tax refund or other Tax benefits and any interest thereon in respect of any MVWC Separate Return to the extent allocable to a Post-Distribution Period under this Agreement, and Marriot shall promptly pay over to MVWC any refund to which MVWC is entitled pursuant to this Section 5.01 that is received by a member of the MII Group. If a Party receives a refund of the other Group and pays such refund over to such other Group and such refund is subsequently disallowed, such other Group shall repay the amount of the refund to such Party together with any interest or penalties due thereon.

Section 5.02. Notification. If one of the Parties (or any of their respective Subsidiaries) receives any written notice of deficiency, claim or adjustment or any other written communication from a Taxing Authority regarding any Distribution Tax, Restructuring Tax or Additional Tax, the Party (or its Subsidiary) receiving such notice or communication shall promptly give written notice thereof to the other Party. MVWC shall promptly forward any written notice of deficiency, claim or adjustment or any other written communication that any member of the MVWC Group receives from a Taxing Authority to MII if such notice or communication may relate to any MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return. MII shall promptly forward any written notice of deficiency, claim or adjustment or any other written communication that any member of the MII Group receives from a Taxing Authority to MVWC if such notice or communication may relate to an MVWC Separate Return or a Tax for which MVWC may be liable or responsible for under this Agreement. A failure of MII, on the one hand, or MVWC, on the other, to comply with this Section 5.02 shall not relieve the other Party of its indemnification obligation hereunder, except to the extent that such failure materially prejudices the ability of the such other Party to contest the liability for the relevant Tax or increases the amount of such liability.

Section 5.03. Contests.

(a) MII Consolidated Returns, MII-MVWC Combined Returns and MII Separate Returns. MII shall have exclusive responsibility and control of the conduct of examinations and audits of any MII Consolidated Return, any MII-MVWC Combined Return or any MII Separate Return by any Taxing Authority, and of any refund claims with respect thereto. If a MII Consolidated Return, a MII-MVWC Combined Return or a MII Separate Return becomes the subject of litigation in any court, the conduct of the litigation shall be controlled exclusively by MII. MVWC shall assist and cooperate with MII during the course of any such examination, audit or litigation. MVWC shall have the right to participate, at its own expense, in any audit, examination or litigation that relates to a matter for which MVWC is required to indemnify MII pursuant to Section 4.01(a), and MII shall not settle such audit, examination or litigation without the prior consent of MVWC, which consent shall not be unreasonably withheld or delayed. MVWC shall reimburse MII for all reasonable out-of-pocket costs and expenses incurred by the MII Group that directly relate to any examination, audit or litigation of any matter for which MVWC is required to indemnify MII pursuant to Section 4.01(a) within 10 Business Days of receiving an invoice from MII therefor, including a calculation of the amount of costs or expenses that provides sufficient detail to permit MVWC to reasonably understand the calculations; provided that if MVWC is only liable under this Agreement for a portion of the relevant adjustment, MVWC shall only be responsible for a proportionate amount of such costs and expenses.

(b) MVWC Separate Returns. MII shall have exclusive and sole responsibility and control of the conduct of examinations and audits of any MVWC Separate Return with respect to a Pre-Distribution Period (other than in respect of a Straddle Period) by any Taxing Authority and any litigation in respect thereof; provided that MII will keep MVWC reasonably informed of the status and progress of such examination, audit or litigation and MII shall not settle such audit, examination or litigation without the prior consent of MVWC, which consent shall not be unreasonably withheld or delayed. With respect to a MVWC Separate Return for a Straddle Period, the Party with the greater burden of the potential adjustment shall be entitled to control of the conduct of any examination and audit of such MVWC Separate Return by any Taxing Authority and any litigation in respect thereof; provided that the non-controlling Party shall be entitled to participate, at its own expense, in any audit, examination or litigation, the controlling Party shall not settle such audit, examination or litigation without the prior consent of the other Party, which consent shall not be unreasonably withheld or delayed. MII and MVWC shall each assist and cooperate with the other Party during the course of any such proceeding.

Section 5.04. Adjustments After Final Determination. Notwithstanding anything to the contrary contained in this Agreement, if, as a result of a Final Determination, an adjustment to income or other item is made with respect to any MII Consolidated Return, MII-MVWC Combined Return, MII Separate Return or MVWC Separate Return, the allocation of liability and payment for Taxes shall be made in accordance with Section 2.02 and Section 4.01.

Section 5.05. Section 83(h) Deductions. If, as a result of a Final Determination, a Party (or its Subsidiary) that claimed a deduction pursuant to Section 3.03 is not allowed that deduction, in whole or in part, the other Party (or its Subsidiary) shall, upon request by such first Party, make a claim for such deductions if the taxable year to which such deductions would relate is not yet closed; provided, that the first Party has furnished the other Party (i) an opinion of counsel satisfactory to the other Party that such deduction by the other Party (or one of its Subsidiaries) should be sustained based on the Final Determination and (ii) an acknowledgement that the first Party will reimburse the other Party for all reasonable out-of-pocket costs and expenses incurred by the other Party (or any of its Subsidiaries) in connection with claiming such deduction. The other Party shall pay the first Party an amount equal to the amount by which the Taxes of the other Party have been actually reduced, as reflected on an amended Tax Return or claim for a refund, as a result of such deduction in such taxable year, or any prior or future taxable year to which such deductions may be carried, ("Mitigation Amount") assuming that such deductions will be treated as used after any other Tax Benefit Attribute of the claiming Party; provided that, if such deduction by such other Party (or any of its Subsidiaries) is not sustained in whole or in part in a Final Determination, the Party that received the Mitigation Amount shall return to the Party that paid the Mitigation Amount an amount equal to the reduction in the Mitigation Amount (if any) as a result of such Final Determination; provided, further, that the other Party shall be required to pay the first Party in respect of any Tax benefit realized in a future year only at the time when such benefit is actually realized.

ARTICLE 6
INFORMATION AND COOPERATION; BOOKS AND RECORDS

Section 6.01. MVWC Tax Information.

(a) General. Each Party shall deliver to the other Party, as soon as practicable, such information and data as the other Party may reasonably request, and shall make available such knowledgeable employees as the other Party may reasonably request, including providing the information and data required by each Party's customary internal tax and accounting procedures, in order to enable the other Party to complete and timely file all Tax Returns that may be required to be filed with respect to the activities of any member of the MVWC Group, to respond to audits by any Taxing Authorities with respect to such activities, to prosecute or defend any administrative or judicial proceeding and to otherwise enable each Party to satisfy its accounting and tax requirements.

(b) MVWC Tax Package. The MVWC Group shall provide to MII in a format reasonably determined by MII all information reasonably requested by MII as necessary to prepare any MII Consolidated Return, any MII-MVWC Combined Return, any MII Separate Return that includes MVWC Assets and any MVWC Separate Return (each, a "Tax Package"). The Tax Package shall be prepared on a basis consistent with current practices of the MII Consolidated Group, the relevant MII-MVWC Combined Return and the relevant MII Separate Return to which the Tax Package relates. MVWC shall furnish to MII the Tax Package for the relevant MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return in respect of a taxable year no later than 30 days after the close of the relevant taxable year or, in the case of a short taxable year, no more than 60 days after MII requests MVWC to complete such Tax Package.

MVWC shall also furnish MII work papers and other such information and documentation as is reasonably requested by MII for Tax preparation purposes with respect to any member of the MVWC Group.

Section 6.02. MII Tax Information. No more than 60 days after MVWC' request for information, MII shall deliver to MVWC in a format reasonably determined by MVWC, all information reasonably requested by MVWC as necessary to prepare a MVWC Separate Return, such information and data concerning any Tax Benefit Attributes that were allocated to a member of the MVWC Group, and information and data to respond to audits by any Taxing Authorities with respect to the activities of the MVWC Group or the MVWC Assets, to prosecute or defend claims for Taxes in any administrative or judicial proceeding and to otherwise enable MVWC to satisfy its accounting and tax requirements. In addition, MII shall make available to MVWC MII's knowledgeable employees for such purpose.

Section 6.03. Record Retention. Each of MVWC, on the one hand, and MII, on the other hand, (and their respective Subsidiaries) shall retain all books, records, documentation or other information relied on or otherwise used in the preparation of any MII Consolidated Return, MII-MVWC Combined Return or MII Separate Return reflecting MVWC Assets for taxable periods beginning before the Distribution Date until the later of the six-year anniversary of the filing of the relevant Tax Return or the expiration of the relevant statute of limitations (including, in each case, any extension thereof). Upon the expiration of the relevant period, the foregoing information may be destroyed or disposed of; provided, however, that (i) the Party retaining the documentation or other information provides sixty (60) days prior written notice to the other party describing, in reasonable detail, the documentation to be destroyed or disposed of and (ii) such other Party agrees in writing to such destruction or disposal. If a Party objects to the proposed destruction or disposal, then the other Party shall promptly deliver such materials to the objecting party or continue to retain such materials, in either case at the expense of the objecting party.

Section 6.04. Cooperation. The Parties shall reasonably cooperate with one another in a timely manner with respect to any matter arising hereunder, including the preparation and execution of memoranda and representations, the execution of any document that may be necessary or reasonably helpful in connection with any audit or contest, the filing or amending of a Tax Return or obtaining any tax opinion or private letter ruling. The Parties shall perform all actions required or permitted under this Agreement in good faith. If one Party requests the cooperation of the other Party, the requesting Party shall reimburse the other Party for all reasonable out-of-pocket costs and expenses incurred by the other Party in complying with the requesting Party's request; provided that the other Party shall provide the requesting Party with a written notice prior to incurring any out-of-pocket costs or expenses.

Section 6.05. Copies of Tax Returns and Related Workpapers. As soon as reasonably practicable but in no event later than December 31, 2011, MII shall furnish copies of any and all Tax Returns, and any related workpapers as reasonably determined by Marriott, of or that includes any member of the MVWC Group for the past three taxable years for which Tax Returns have been filed (measured as of the Distribution Date).

ARTICLE 7
REPRESENTATIONS AND WARRANTIES AND COVENANTS

Section 7.01. Representations and Warranties and Covenants.

(a) Representations and Warranties and Covenants of MII. MII hereby represents and warrants to MVWC, and covenants, that

(i) as of the date hereof, no member of the MII Group knows of any fact that is inconsistent with the Tax Representations or the conclusions of the Ruling or the Opinion that the Intended Tax Treatment applies;

(ii) no member of the MII Group has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with the Tax Representations;

(iii) each member of the MII Group will treat, on any relevant Tax Return, the MVW US Contribution, the 338(h)(10) Elections, MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution in accordance with the Intended Tax Treatment; and

(iv) no member of the MII Group will enter into a Restricted Transaction.

(b) Representations and Warranties and Covenants of MVWC. MVWC hereby represents and warrants to MII, and covenants, that

(i) as of the date hereof, no member of the MVWC Group knows of any fact that is inconsistent with the Tax Representations or the conclusions of the Ruling that the Intended Tax Treatment applies;

(ii) no member of the MVWC Group has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with the Tax Representations;

(iii) each member of the MVWC Group will treat, on any relevant Tax Return, the MVW US Contribution, the 338(h)(10) Elections, MVW US Contribution Losses, the MVW International Contribution, the Internal Distributions, the MVWC Contribution, and the Distribution in accordance with the Intended Tax Treatment; and

(iv) no member of the MVWC Group will enter into a Restricted Transaction or a MVW US Restricted Transaction.

Section 7.02. Exceptions to Covenants.

(a) Restricted Transaction. Notwithstanding Section 7.01(a)(iv) and Section 7.01(b)(iv), a Party or a member of its Group may enter into a Restricted Transaction if:

(i) prior to entering into each such Restricted Transaction, the Party entering into such Restricted Transaction receives a ruling from the IRS (and, to the extent an issue is not covered by the ruling, an Unqualified Tax Opinion with respect to such issue) or an Unqualified Tax Opinion, in each case, in a form and substance reasonably satisfactory to the other Party, to the effect that the Restricted Transaction will not cause the Distribution, the MVWC Contribution, the MVW International Contribution, the Internal Distributions, MVW US Contribution Losses, 338(h)(10) Elections or the MVW US Contribution to fail to qualify for the Intended Tax Treatment in whole or in part; or

(ii) the other Party consents in writing to such Restricted Transaction (which consent may be withheld by such other Party at its sole discretion).

Each Party shall cooperate with the other Party in connection with obtaining such IRS ruling and/or Unqualified Tax Opinion. The Party proposing to enter in a Restricted Transaction shall reimburse each member of the Group of the other Party for all reasonable out-of-pocket costs and expenses incurred by the such Group in connection with requesting or obtaining an IRS ruling and/or an Unqualified Tax Opinion pursuant to this Section 7.02(a) within 10 Business Days of receiving an invoice from such other Party therefor.

(b) MVW US Restricted Transaction. Notwithstanding Section 7.01(b)(iv), a member of the MVWC Group may enter into a MVW US Restricted Transaction if MII consents in writing, which may be granted or withheld in the sole discretion of MII.

(c) No Exception to Liability. For the avoidance of doubt, notwithstanding Section 7.02(a) or Section 7.02(b), entering into a Restricted Transaction or a MVW US Restricted Transaction shall be treated as a Tainting Act for all purposes of this Agreement, and each Party shall be liable for any Additional Tax, Restructuring Tax or Distribution Tax resulting from any Restricted Transaction or MVW US Restricted Transaction in which such Party participates.

Section 7.03. Certain Taxing Authority Contacts by MVWC Group. Subject to Section 7.02(a), no member of the MVWC Group shall seek any guidance from the IRS or any other Taxing Authority (whether written or oral) at any time concerning the consequences of the MVW US Contribution, 338(h)(10) Elections, MVW US Contribution Losses, MVW International Contribution, Internal Distributions, MVWC Contribution, or the Distribution to MII or the MII Consolidated Group, including the effect of any other transactions, without prior written consent of MII, which consent shall not be unreasonably withheld or delayed.

ARTICLE 8
GENERAL PROVISIONS

Section 8.01. No Duplication of Payment. Notwithstanding anything to the contrary herein, nothing in this Agreement shall require a Party hereto to make any payment attributable to any indemnification for Taxes or payment of Taxes hereunder, or for any Tax Benefit Attribute, for which payment has previously been made by such Party hereunder.

Section 8.02. Interest. Any payments required pursuant to this Agreement which are not made within the time period specified in this Agreement shall bear interest for the period the amount remains unpaid at a rate equal to two hundred basis points above the average interest rate on the senior bank debt of (i) MII, in the case of a payment due to MVWC, or (ii) MVWC, in the case of a payment due to MII.

Section 8.03. Termination. This Agreement shall remain in force and be binding so long as the applicable period for assessments or collections of Tax (including extensions) remains unexpired for any Taxes contemplated by, or indemnified against in, this Agreement.

Section 8.04. Effectiveness. The effectiveness of this Agreement and the obligations and rights created hereunder are subject to and conditioned upon the completion of the Distribution pursuant to the terms of the Separation Agreement.

Section 8.05. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service (including overnight delivery) or by registered or certified mail (postage prepaid, return receipt requested) to MII and MVWC at their respective addresses (or at such other address as shall be specified in a notice given in accordance with this Section 8.05) listed below:

(a) To MII:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, MD 20817
Attn: General Counsel and Tax Director

(b) To MVWC:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attn: General Counsel and Tax Director

Section 8.06. Complete Agreement; Construction. This Agreement is intended to provide rights, obligations and covenants in respect of Taxes and shall supersede all prior agreements and undertakings, both written and oral, between members of the MII Group, on the one hand, and members of the MVWC Group, on the other, with respect to the subject matter hereof and thereof.

Section 8.07. Counterparts. This Agreement may be executed in one or more counterparts, and by MII and MVWC in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 8.08. Waiver. MII and MVWC, as the case may be, may (a) extend the time for the performance of any of the obligations or other acts of the other party or parties, (b) waive any inaccuracies in the representations and warranties of the other party or parties contained herein or in any document delivered by the other party or parties pursuant hereto or (c) waive compliance with any of the agreements or conditions of the other party or parties contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

Section 8.09. Amendments. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, MII and MVWC or (b) by a waiver in accordance with Section 8.08.

Section 8.10. Successors and Assigns. The provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by MII and MVWC and their respective successors and permitted assigns. This Agreement cannot be assigned by MII or MVWC without the consent of the other party.

Section 8.11. Subsidiaries. MII and MVWC shall each cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such party (including predecessors and successors) or by any entity that becomes a Subsidiary of such party on or after the Distribution Date.

Section 8.12. Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of MII and MVWC and their respective Subsidiaries, and nothing herein, express or implied, is intended to or shall confer upon any third parties any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.13. Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.14. Specific Performance. MII and MVWC agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 8.15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, applicable to contracts executed in and to be performed entirely within that State.

Section 8.16. Arbitration. Any conflict or disagreement arising out of the interpretation, implementation, or compliance with the provisions of this Agreement shall be finally settled pursuant to the provisions of Article VII (Dispute Resolution) of the Separation Agreement, which provisions are incorporated herein by reference.

Section 8.17. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Distribution, the MVWC Contribution or the MVW US Contribution is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, MII and MVWC shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Distribution, the MVWC Contribution and the MVW US Contribution contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 8.18. Costs and Expenses. Unless specifically provided herein, each Party agrees to pay its own costs and expenses resulting from the fulfillment of its respective obligations hereunder.

Section 8.19. Coordination with Separation Agreement. Except as explicitly set forth in the Separation Agreement, this Agreement shall be the exclusive agreement among the Parties with respect to all Tax matters, including indemnification in respect of Tax matters. The Parties agree that this Agreement shall take precedence over any and all agreements among the Parties with respect to Tax matters.

* * *

IN WITNESS WHEREOF, MII and MVWC have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Carl T. Berquist
Name: Carl T. Berquist
Title: Executive Vice President and Chief Financial Officer

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Stephen P. Weisz
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

Exhibit 10.5

MARRIOTT REWARDS AFFILIATION AGREEMENT

by and among

MARRIOTT INTERNATIONAL, INC.,

MARRIOTT REWARDS, LLC,

MARRIOTT VACATIONS WORLDWIDE CORPORATION

and

MARRIOTT OWNERSHIP RESORTS, INC.

Dated as of November 17, 2011

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MARRIOTT REWARDS AFFILIATION AGREEMENT

This Marriott Rewards Affiliation Agreement (this "Agreement"), dated as of November 17, 2011 and effective as of the Effective Date (as defined in Section 11(a)), is by and among MARRIOTT INTERNATIONAL, INC. ("MII"), a Delaware corporation, MARRIOTT REWARDS, LLC ("Rewards", and together with MII, "Marriott"), an Arizona limited liability company, MARRIOTT VACATIONS WORLDWIDE CORPORATION ("MVWC"), a Delaware corporation, and MARRIOTT OWNERSHIP RESORTS, INC. ("MORI", and together with MVWC, "MVW"), a Delaware corporation. As used in this Agreement, the terms "Rewards", "MII", "Marriott", "MORI", "MVWC", and "MVW" shall mean Rewards, MII, Marriott, MORI, MVWC, and MVW, as the case may be, and their respective subsidiaries.

Recitals

A. Pursuant to the Separation and Distribution Agreement (the "Distribution Agreement") dated as of November 17, 2011, MII has agreed to distribute to its stockholders all of MVWC's issued and outstanding capital stock (the "Distribution") if the conditions set forth in the Distribution Agreement are satisfied, including, among others, that the parties hereto have entered into this Agreement.

B. Marriott has developed a sales promotional program known as Marriott Rewards (the "Marriott Rewards Program"), under which participants ("Marriott Rewards Members") are awarded "Marriott Rewards Points" based on (i) their stays and spending at participating hotels, resorts and vacation ownership resorts affiliated with Marriott, including The Ritz-Carlton Hotel Company, L.L.C. ("Ritz-Carlton"), a Delaware limited liability company (such participating hotels, resorts and vacation ownership resorts, the "Participating Properties") or (ii) the purchase of Licensed Destination Club Products and exchange of Usage Rights in respect thereof. In addition, Marriott has developed "The Ritz-Carlton Rewards Program" ("The Ritz-Carlton Rewards Program", and together with the Marriott Rewards Program, the "Rewards Program"), under which participants ("Ritz-Carlton Rewards Members", and together with Marriott Rewards Members, "Rewards Members") are awarded "Ritz-Carlton Rewards Points" based on their stays and spending at Participating Properties. MVW customers may elect to participate in either the Marriott Rewards Program or The Ritz-Carlton Rewards Program and receive Marriott Rewards Points or Ritz-Carlton Rewards Points, respectively (any or all of such points, "Rewards Points"). Rewards Points may be redeemed for free stays at Participating Properties; car rentals; airline miles; or other rewards. In connection with the Distribution, MVW will enter into a License, Services and Development Agreement with MII (the "Marriott License Agreement") and a License, Services and Development Agreement with Ritz-Carlton (the "Ritz-Carlton License Agreement") pursuant to which, among other things, Marriott and Ritz-Carlton will grant certain licenses to MVW to use the "Marriott Vacation Club", "Grand Residence by Marriott", "The Ritz-Carlton Destination Club" and "Ritz-Carlton Residences" brands and certain intellectual property after the Distribution.

C. Following the Distribution, MVW will own and conduct the Licensed Destination Club Business (as defined below). For purposes of this Agreement, the terms "Licensed Destination Club Business" and "Licensed Business" shall have the meanings assigned to each term in the Marriott License Agreement, Provideed, however, that for the avoidance of doubt, the

terms "Licensed Destination Club Business" and "Licensed Business" as used in this Agreement shall not include Ritz-Carlton Destination Club properties, provided, further, however, that any Destination Club Units or Residential Units in Existing Projects (as defined in the Ritz-Carlton License Agreement) that are included as part of Licensed Destination Club Products under the Marriott License Agreement will be deemed to be Licensed Destination Club Units for purposes of this Agreement.

D. Rewards purchases miles from airlines to award to Rewards Members who elect to receive miles in lieu of Rewards Points in connection with qualified stays at Participating Properties ("Airline Miles").

E. In connection with the transactions contemplated by the Distribution Agreement, the parties have agreed that MVW will retain the ability to participate in the Rewards Program after the Distribution on the terms and conditions set forth herein, including the ability to offer Rewards Points to MVW customers in connection with the Licensed Destination Club Business.

F. As an inducement to enter this Agreement, Marriott Resorts Hospitality Corporation, a South Carolina corporation, MVCI Asia Pacific Pte. Ltd., a Singapore private limited company, and MVCO Series LLC, a Delaware limited liability company, (each of Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC, a "Guarantor") agree to guarantee the performance by MVW of its obligations under this Agreement.

G. Capitalized terms used herein that are not otherwise defined shall have the respective meanings set forth in the Marriott License Agreement.

Agreement

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

Section 1. Rewards Points Offered by MVW in the Licensed Destination Club Business.

(a) Except as otherwise provided in this Agreement or the Services Manual, MVW will offer, in accordance with all Rewards Program rules, policies and terms & conditions, as such may be modified by Marriott from time to time (subject to Section 13(c)) ("Program Rules"), Rewards Members the opportunity to earn Rewards Points or Airline Miles for eligible cash rentals of units and related eligible spending during such rental stays for products and services offered by the Licensed Destination Club Business at Licensed Destination Club Projects or Licensed Destination Club Units eligible for earning Rewards Points under the Rewards Program ("Qualifying Stays").

(b) Subject to Section 1(c), MVW may offer Rewards Points to Rewards Members in connection with the Licensed Destination Club Business: (i) as an incentive to customers to close on a purchase of Licensed Destination Club Products, including first day benefits, as set forth in the Services Manual ("Sales Incentives"); (ii) in exchange for Usage Rights (as defined in Section 4(a)) ("Exchanges"); (iii) for referrals of potential purchasers of

Licensed Destination Club Products as set forth in the Services Manual ("Referrals", and collectively with Sales Incentives and Exchanges, the "Exchange/Sales Uses"); (iv) to resolve customer service issues ("Owner Assurance"); (v) as sales presentation, tour, financing and certain other specified incentives in connection with the offer and sale of Licensed Destination Club Products, as set forth in the Services Manual ("Incentives"), and (vi) as a recognition benefit provided to Rewards Members with Elite Status (as defined in Section 8(a)) as provided in Section 8(c) ("Recognition Benefits") (collectively with Exchange/Sales Uses, Owner Assurance, Incentives, Recognition Benefits and Qualifying Stays, the "Permitted Uses"). MVW may not offer Rewards Points for any purpose other than a Permitted Use without Marriott's prior written consent. Marriott will reasonably consider MVW's requests to offer Rewards Points for any purpose other than a Permitted Use.

(c) MVW may not utilize or affiliate with any customer loyalty program offered by any third-party hotel, destination club, lodging operation or other travel customer loyalty program that is primarily focused on the lodging industry other than the Rewards Program in connection with the Licensed Destination Club Business, except for any loyalty program provided by a third-party timeshare exchange company such as Interval International or Resort Condominium International. For clarification, and by way of example only, the parties agree that the customer loyalty programs operated by the online travel agencies Expedia, Orbitz and Travelocity are travel customer loyalty programs that, as of the Effective Date, are primarily focused on the lodging industry. Notwithstanding the foregoing, except as may be otherwise set forth in Section 14(b), MVW may not, as part of the Licensed Destination Club Business, utilize or affiliate with any customer loyalty program provided by a third-party timeshare exchange company that (i) is an Affiliate of a Lodging Competitor or (ii) issues "points" or other currency of a loyalty program of a Lodging Competitor.

(d) MVW will permit its customers to elect whether Rewards Points issued in connection with Permitted Uses are issued as Marriott Rewards Points or Ritz-Carlton Rewards Points. MVW will also permit its customers to elect to receive Airline Miles for Qualifying Stays.

(e) Marriott acknowledges that MVW is not required to offer Rewards Points or Airline Miles for Qualifying Stays, or allow Rewards Members to pay for stays using Rewards Points, at Licensed Projects where transient rental is not offered pursuant to the Reservation System due to applicable legal or contractual restrictions. All such Licensed Projects as of the Effective Date are listed on *Schedule 1(e)*. MVW will update *Schedule 1(e)* as and when necessary to reflect any changes thereto after the Effective Date and will provide prompt written notice to Rewards of any such changes and the reason for such changes.

(f) Except as otherwise expressly provided herein or as set forth in the Services Manual, MVW will comply with all Program Rules.

Section 2. Payment for Rewards Points Issued on or After the Commencement Date.

(a) Rewards shall issue Rewards Points to MVW customers who are Rewards Members for Permitted Uses upon notification by MVW by posting such information to the

Information Management System ("IMS") using codes designated by Marriott, or as otherwise required or allowed by Marriott, that (i) such Rewards Member has qualified for Rewards Points, (ii) the date and method by which such Rewards Member qualified for such Rewards Points and (iii) the number of Rewards Points to be issued to such Rewards Member.

(b) Rewards shall issue Airlines Miles to MVW customers who are Rewards Members for Qualifying Stays upon notification by MVW by posting such information to IMS using codes designated by Marriott or as otherwise required or allowed by Marriott, that (i) such Rewards Member has qualified for Airlines Miles, (ii) the date and method by which such Rewards Member qualified for such Airline Miles and (iii) the number of Airline Miles to be issued to such Rewards Member.

(c) MVW will pay Rewards for Rewards Points and Airline Miles issued in connection with Qualifying Stays at the rates set forth on *Exhibit A* hereto. Marriott will invoice MVW for Rewards Points and Airline Miles issued pursuant to Qualifying Stays in a manner consistent with the invoicing process used by Marriott with respect to Rewards Points and Airline Miles purchased by MHR Hotels through their participation in the Rewards Program. MVW's payment terms under such invoices shall be consistent with the payment terms received by MHR Hotels in connection with their participation in the Rewards Program. The parties acknowledge and agree that this Agreement does not change the invoice process for Rewards Points and Airline Miles issued in connection with Qualifying Stays from the invoice process in effect prior to the Effective Date, provided, however, the parties acknowledge and agree that the invoice process may change following the Effective Date.

(d) MVW will pay Rewards for Rewards Points issued on or after the later of (i) the Effective Date or (ii) December 31, 2011 (such later date, the "Commencement Date") to MVW customers for Permitted Uses (other than Qualifying Stays) when such Rewards Points are issued in accordance with Section 2(e). MVW will pay the rates set forth on *Exhibit A* hereto for Rewards Points issued on or after the Commencement Date. A sample calculation is set forth in the Services Manual.

(e) Following the Commencement Date, Marriott will invoice MVW each period for Rewards Points issued during the prior period to MVW customers for Permitted Uses (other than Qualifying Stays) and payment will be due within 30 days of the invoice date. Notwithstanding the foregoing, for the period from the Effective Date through the last day of fiscal year 2018, payments for Rewards Points issued to MVW customers for Exchanges between October 1 and December 31 of any such year shall be due 120 days after December 31 of such year.

(f) If (i) the percentage of Rewards Points issued to MVW customers in connection with Permitted Uses during any fiscal year as a percentage of all Rewards Points issued for the entire Rewards Program during such fiscal year increases to greater than 25% and (ii) solely as a result of the increase from the percentage of Rewards Points issued to MVW customers during the 2011 fiscal year as a percentage of all Rewards Points issued for the entire Rewards Program to a percentage greater than 25% of all Rewards Points issued for the entire Rewards Program, there is a material cost increase to Rewards for the Rewards Program, the parties hereto agree to negotiate in good faith an adjustment to the rates paid by MVW for Rewards Points to offset such increased costs.

(g) For purposes of this Agreement, unless otherwise specified or the context otherwise requires, each reference in this Agreement to "fiscal year", "fiscal quarter" or "period" shall mean Marriott's fiscal year, fiscal quarter or accounting period, respectively.

Section 3. Payment for Rewards Points Redeemed Prior to the Commencement Date or Outstanding as of the Commencement Date.

(a) Subject to Section 3(b), MVW will pay Rewards for Rewards Points issued to MVW customers for Permitted Uses (other than Qualifying Stays) that are (i) redeemed (but remain unpaid for) prior to the Commencement Date or (ii) outstanding as of the Commencement Date (any or all such Rewards Points, the "Commencement Date Points") as and when such Rewards Points are redeemed. Marriott will invoice MVW each period for Commencement Date Points redeemed during the prior fiscal period and payment will be due within 30 days of the invoice date. MVW will pay the following amounts for redeemed Commencement Date Points: (i) for Commencement Date Points redeemed in exchange for hotel stays, one hundred and five percent (105%) of the actual cost to Rewards of such hotel stays; and (ii) for all other redemptions of Commencement Date Points, the "average actual cost" to Rewards of such redemptions. The "average actual cost" referred to in clause (ii) above, which will be determined at least every other year, will be calculated by determining the weighted average of the costs associated with each type or category (as determined by Rewards) of Rewards Points redemption (each such type or category, an "Award") during the previous two year period covered by such review. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that, for the purposes of the calculations to be made under this Section 3, for redemptions of Commencement Date Points for hotel stays, an MVW customer shall be deemed to have "redeemed" Rewards Points at the time such MVW customer tenders the Certificate (as defined below) in redemption of such Rewards Points in payment for a hotel stay and not at the time such MVW customer makes a hotel reservation with respect to such redemption. For redemptions of Commencement Date Points other than for hotel stays, an MVW customer shall be deemed to have "redeemed" Rewards Points at the time a Certificate is ordered. "Certificate" means a certificate issued pursuant to any Award.

(b) After the first to occur of (i) the termination of this Agreement or (ii) the fourth anniversary of the Commencement Date (such earlier date, the "Determination Date"), MVW will pay Rewards in full for all Commencement Date Points then outstanding (after excluding any Certificates issued using Commencement Date Points that have expired, been revoked or otherwise terminated without being redeemed), after reducing the amount due using the historical MVW breakage rate as calculated by Marriott using MVW's breakage calculation methodology, including but not limited to using a 30 year redemption curve and a 95% *a priori* factor. Marriott will invoice MVW for the amounts due under this Section 3(b) within the 30 days of the Determination Date and payment will be due within 30 days of the invoice date. The price per point for such Commencement Date Points shall equal the average price of Rewards Points redeemed by MVW for all Commencement Date Points redeemed during (i) the most recently completed fiscal year if the Agreement is terminated prior to the fourth anniversary of the Commencement Date or (ii) if the Agreement is not terminated prior to the fourth

anniversary of the Commencement Date, the period that consists of thirteen consecutive periods, with the last of such periods as the penultimate period ending prior to the fourth anniversary of the Commencement Date. To determine the amounts due under this Section 3(b), Marriott shall prepare a schedule of expected annual redemptions utilizing a 30 year redemption curve and the price per point as stated in this Section 3(b) and such amounts shall be discounted to their present value at a rate equal to 4.7%.

(c) After the Determination Date, MVW will pay Rewards in full for any outstanding Certificates (i.e., Certificates that have not expired, been revoked, or otherwise terminated without being redeemed in accordance with their terms) issued using Commencement Date Points at the cost described in *Schedule 3(c)*, adjusted for breakage as calculated by Marriott in accordance with Marriott's past practice. Marriott will invoice MVW for the amounts due under this Section 3(c) within 30 days of the Determination Date and payment will be due within 30 days of the invoice date.

Section 4. Restrictions.

(a) In connection with the execution of this Agreement, the parties have confirmed in writing the ratios or allocations in effect as of the Effective Date used to determine the number of Rewards Points a Rewards Member will receive upon exchange of such Rewards Member's usage rights in respect of Licensed Destination Club Products (collectively, "Usage Rights") for Rewards Points (such ratios or allocations, the "Exchange Ratios"). The methodology for determining such Exchange Ratios, and limitations on the exchange of Usage Rights for Rewards Points, are set forth in the Services Manual (such methodology and restrictions, the "Exchange Ratio Rules"). MVW's right to alter a Rewards Member's ability to exchange such Rewards Member's Usage Rights for Rewards Points shall be determined in accordance with the Exchange Ratio Rules. MVW shall certify annually in writing to Marriott that MVW is in compliance with the Exchange Ratio Rules, and provide the then-current Exchange Ratios to Marriott. MVW shall deliver such certification to Marriott within thirty days of each anniversary of the Effective Date.

(b) MVW may not, without Marriott's prior written consent, implement a "hotel exchange" program under which owners of Licensed Destination Club Products exchange Usage Rights for stays at Participating Properties and MVW pays for such stays using Rewards Points; provided, however, that MVW may operate a program ("Explorer Program"), such as the existing "Hotel Explorer" and "Club Connections" programs, under which owners of Licensed Destination Club Products exchange Usage Rights for stays at a Participating Property and MVW pays such Participating Property for such stay in cash under a separate agreement between MVW and such Participating Property.

(c) In its marketing and public communications, MVW will not (i) position the ability to exchange Usage Rights for Rewards Points as the primary benefit of purchasing Licensed Destination Club Products or (ii) give any greater prominence to the ability to exchange Usage Rights for Rewards Points than is given to other use or exchange options for Usage Rights, in each case consistent with past practice. MVW's Offering Documents shall include the ability to exchange Usage Rights for Rewards Points or pursuant to a hotel exchange program permitted under Section 4(b) only as an ancillary benefit of purchasing Usage Rights. MVW

may, as part of a sales presentation and in marketing collateral, describe the ability to exchange Usage Rights for Rewards Points, or pursuant to any hotel exchange program permitted under Section 4(b), as a benefit of purchasing Usage Rights in accordance with MVW's sales and marketing practices in use as of the Effective Date.

(d) MVW will not have any right to modify any terms of the Rewards Points issued to MVW customers, including imposing an expiration date on any Rewards Points; except that, in accordance with the Program Rules and the procedures set forth in the Services Manual, MVW may request that Rewards suspend, or use other available remedies related to, a MVW customer's membership in the Rewards Program as a result of such customer's failure to pay amounts related to Licensed Destination Club Products as set forth in the Services Manual. Rewards shall not unreasonably withhold its consent to such requests. All Rewards Points issued shall be subject to Program Rules.

Section 5. MVW Inventory Use.

(a) MVW will make Licensed Destination Club Units available for Rewards Points redemption stays as described in the Services Manual, subject to the limitations described in Section 1(e) and as otherwise set forth in the Services Manual. The parties acknowledge that MVW shall have no obligation to make Licensed Destination Club Units at the Licensed Projects listed on *Schedule 1(e)* available for Rewards Points redemption stays.

(b) Rewards will pay MVW for the use of Licensed Destination Club Units by Rewards Members who pay for such usage with Rewards Points in a manner consistent with the payment process used by Rewards with the MHR Hotels in connection with redemption stays. The Services Manual sets forth the rates for such usage in effect as of the Effective Date for a standard room and multi-bedroom units (such rates, the "MVW Redemption Rates"). The MVW Redemption Rates are intended to approximate the average rate paid by wholesalers who purchase a similar volume and type of accommodations, and will be adjusted by Marriott, in the first fiscal quarter of every fiscal year to reflect the rates paid by wholesalers in the prior fiscal year. The Services Manual sets forth the current process for the determination of the rates paid by wholesalers. In the event of a Dispute (as defined in Section 27) among the parties over the MVW Redemption Rates, the parties will resolve such Dispute in accordance with the process set forth in the Services Manual.

(c) Marriott shall determine the number of Rewards Points that a Rewards Member must redeem to pay for stays at Licensed Destination Club Units on a fair and nondiscriminatory basis and generally on a basis consistent with similarly situated and equipped resort and hotel properties or, if there are no similarly situated and equipped resort and hotel properties, the number of Rewards Points shall be determined by Marriott on a similar redemption cost per point basis as other Participating Properties in the Rewards Program. In the event of a Dispute among the parties over the number of Rewards Points required for stays at Licensed Destination Club Units, the parties will resolve such Dispute in accordance with the process set forth in the Services Manual.

Section 6. Deemed Order of Usage of Rewards Points. If a Rewards Member redeems Rewards Points for any purpose, the Rewards Member will be deemed to have redeemed Rewards Points in the following order: (i) first, any Rewards Points issued prior to the Commencement Date to such Rewards Member in connection with Exchange/Sales Uses, which redemption shall occur in accordance with Section 3(a), (ii) second, any Rewards Points issued to such Rewards Member on or after the Commencement Date in connection with Exchange/Sales Uses, and (iii) third, any other Rewards Points held by such Rewards Member.

Section 7. Redemption of Rewards Points by Rewards Members.

(a) The redemption of Rewards Points by MVW customers shall be subject to the Program Rules.

(b) Rewards Points issued for Permitted Uses by Rewards to MVW customers may be redeemed by such MVW customers for all uses allowed by the Rewards Program as of the applicable redemption date, including any special awards that may exist exclusively for MVW customers. MVW customers who are Rewards Members may also convert their Rewards Points into Airline Miles subject to the Program Rules.

(c) Marriott customer service associates shall assist MVW customers regarding questions, issues and problems related to travel partners associated with the Rewards Program. MVW shall be allocated, and pay, costs related to such customer service in accordance with allocation methods in place as of the Effective Date as the same may be reasonably revised by Marriott from time to time.

Section 8. Elite Status Program.

(a) Rewards Members will be offered the opportunity to receive credits towards "Elite" status in the Rewards Program ("Elite Status") in connection with (i) Qualifying Stays, (ii) the exercise of Usage Rights for stays at Licensed Destination Club Units, and (iii) the exercise of Usage Rights for stays at Participating Properties pursuant to the "Club Connections" Program, as more specifically described in the Services Manual.

(b) Subject to the following sentence, MVW may recognize and upgrade MVW customers with Elite Status by utilizing the Elite Status referral, approval and fulfillment processes described in the Services Manual and paying the associated fees as determined by Rewards from time to time (the "Elite Referral Program"). As of the date that MVW upgrades a MVW customer to Elite Status through the Elite Referral Program, the number of MVW customers that MVW has upgraded to Elite Status through the Elite Referral Program during the then current fiscal year may not exceed the percentage listed in the Services Manual of the number of MVW customers that own Usage Rights as of such date. Any amounts charged to MVW in connection with the Elite Referral Program will be consistent with those charged to other participants in the Elite Referral Program. Marriott shall have the right to change any terms or conditions relating to the Elite Referral Program, including, without limitation, the pricing, benefits or the referral and fulfillment processes associated with the Elite Referral Program, at any time, in its sole discretion, subject only to any express obligation or limitation set forth in this Agreement, provided that such changes are applied on a general program basis to the participants in the Elite Referral Program.

(c) Subject to the following sentence, MVW will provide Rewards Members who have Elite Status with the recognition benefits listed in the Services Manual in connection with such Rewards Members' (i) Qualifying Stays, (ii) exercise of Usage Rights for stays at Licensed Destination Club Units and (iii) redemption stays. Marriott may request that MVW change the recognition benefits listed in the Services Manual to be provided by MVW to Rewards Members who have Elite Status if MHR Hotels change the corresponding recognition benefits they will provide to Rewards Members with Elite Status, and MVW shall not unreasonably withhold its agreement to make such change. Subject to the restrictions listed in the Services Manual, MVW shall honor the Elite Status recognition benefits guarantee as set forth in the Program Rules and shall either pay directly, or reimburse Marriott for, amounts payable to Rewards Members with Elite Status because such Rewards Members did not receive the guaranteed recognition benefits to be provided to them by MVW.

(d) MVW shall not offer any new programs to its customers related to Elite Status (other than due to changes in the Program Rules) without Marriott's prior written approval obtained in accordance with Section 13(b).

(e) The parties acknowledge that this Section 8 is not intended to limit, expand or modify in any way the terms of the trial program regarding Elite Status between MVW and Rewards in effect as of the date of this Agreement memorialized in the description of such trial program implemented on July 5, 2011 titled "Evaluation of Purchasing Rewards Elite Status for Select MVC Members," and set forth in Section 8(e) of the Services Manual.

Section 9. Marketing.

(a) Marriott will include MVW and the Licensed Destination Club Products on a reasonable basis consistent with past practice, taking into account the purpose of the communications described below and the nature of the Licensed Destination Club Products in:

(i) communications sent by Rewards to Rewards Members and other Marriott customers through (A) communication channels then in use which may include, for example, (x) electronic and print newsletter distribution, (y) promotional channels such as "Hotel Specials" emails, "E-Breaks" emails, "METT" emails, PointSaver, and internet promotional offerings and (z) Rewards websites and (B) enhanced or new channels or methods of communication to Rewards Members and other Marriott customers which become available, including digital media channels such as social media and mobile media; and

(ii) segmented communications sent by Rewards tailored to select audiences of Rewards Members and Marriott customers included within the Rewards database, including non-English language communications, regional communications and communications with Rewards Members who have Elite Status.

(b) MVW may request that Marriott utilize customer targeting tools developed by Marriott, such as those listed in the Services Manual, in connection with MVW communications. Marriott shall consider such requests in good faith.

(c) Marriott will include MVW and the Licensed Destination Club Products in Rewards' other marketing and promotional materials, in addition to those otherwise listed in Section 9(a), on a reasonable basis consistent with past practice, taking into account the purpose of such marketing and promotional materials and the nature of the Licensed Destination Club Products.

(d) Public communications made by MVW (including general communications with MVW customers and Rewards Members) relating to the Rewards Program or to any changes in the Rewards Program or in MVW's use or participation in the Rewards Program shall be accurate, fairly represent the Rewards Program and comply with the Brand Standards (collectively "Communication Standards"). Marriott may review such public communications upon reasonable notice to MVW (on a periodic audit basis) for the purpose of ensuring that such public communications comply with the Communication Standards. If such public communications do not comply with the Communication Standards, Marriott will provide notice thereof to MVW, which notice shall identify the deficiencies in the public communication. MVW shall promptly make changes to any deficient public communication and provide the revised public communication to Marriott for Marriott's review and approval of the changes. MVW shall not use the revised public communication (or permit the revised public communication to be used) until such changes have been approved by Marriott. MVW shall have the right to seek Marriott's review and approval of any public communications, on a confidential basis, in advance, and may repeat specific material included in public communications that Marriott has previously approved in reliance upon Marriott's prior approval unless Marriott revokes its previous approval. With respect to public communications for which MVW has not received Marriott's prior written approval (or that do not repeat specific material included in public communications previously approved by Marriott which have not been revoked), Marriott shall have the right to object to any such public communication in the event Marriott believes that such public communication is inconsistent with the Communication Standards. In the event MVW and Marriott are not able to come to agreement on the issue, then either party may refer the matter to an Expert for resolution, or if MVW initiates a public communication without first seeking confirmation that such public communication is consistent with the Communication Standards and Marriott determines that such public communication is not consistent with the Communication Standards, then Marriott may refer the matter to an Expert for resolution. In either case, if the Expert finds in favor of Marriott, then Marriott's prior written consent shall be required for each new public communication that is implemented on a system-wide or region-wide (e.g., throughout the United States, Europe, the Middle East, Latin America, Asia Pacific or a substantial portion thereof) basis for the twenty-four (24) month period following any such determination. MVW will provide Marriott with advance written notice of not less than 5 business days prior to any public communication made by MVW concerning any significant change related to the Rewards Program; such notice shall identify the significant change in the communication.

(e) MVW will not conduct a marketing campaign that features or promotes the ability of MVW customers to (i) earn Ritz-Carlton Rewards Points for Qualifying Stays or Permitted Uses or (ii) participate in The Ritz-Carlton Rewards Program. Any permitted MVW marketing campaign will comply with the applicable Brand Standards. Nothing in this Agreement shall be deemed to prohibit MVW from informing MVW customers that such customer may elect to participate in either the Marriott Rewards Program or The Ritz-Carlton Rewards Program, or of any details of participation in The Ritz-Carlton Rewards Program.

(f) The parties shall cooperate reasonably regarding the content of any communications provided for in Section 9(a) and Section 9(c). The parties acknowledge that such communications are generally intended to include general brand related information (e.g., new product features, property openings, Rewards and Elite benefits at Licensed Projects), generate general awareness, and communicate promotional offers and related information (e.g., rental, tour, lead generation, opt-in or direct sale offers) intended to generate revenues for the Licensed Business. To the extent any communication includes an offer related to the Licensed Business, MVW shall provide the terms and conditions of such offer to Marriott together with any statements or disclosures that may be required by Applicable Law in connection therewith.

Section 10. Joint & Several Liability. The obligations of MVWC and MORI under this Agreement shall be joint and several. MII shall be jointly and severally liable for the obligations of Rewards under this Agreement.

Section 11. Default & Term.

(a) This Agreement will be effective as of 12.01 a.m. on November 21, 2011 (the "Effective Date") and will remain in effect until the earlier of (i) the termination of this Agreement pursuant to Section 11(b) or (ii) the termination or expiration of the Marriott License Agreement. However, if the Marriott License Agreement expires in accordance with its terms, this Agreement will continue until the expiration of the "tail period" under Section 4.2(b) of the Marriott License Agreement (the "Tail Period") subject to the limitations described below in Section 12. For the avoidance of doubt, during the Tail Period, the restrictions on MVW's use of Rewards Points set forth in Section 1 shall continue to apply and any Project that ceases to be a Licensed Project shall not be considered part of the Licensed Destination Club Business for purposes of this Agreement. Notwithstanding the foregoing, if the Distribution has not closed prior to March 31, 2012, either MVW or Marriott may terminate this Agreement by delivery of written notice to the other party prior to the Effective Date.

(b) The breaches listed in (i) through (viii) below are deemed to be material breaches for which MVW may be placed in default under this Agreement if (x) Marriott gives MVW notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by Marriott in its sole discretion or required by Applicable Law) and (y) MVW fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section 11(b). If MVW fails to cure the breach and is placed in default, then Marriott may exercise the applicable remedy for the specific default as set forth below:

(i) If MVW or its Affiliates fails to pay any amounts due under this Agreement to Rewards or any of its Affiliates when the same become due and payable, then Marriott may issue a notice of breach to MVW with respect to such failure. MVW shall have ten (10) business days following notice of breach to cure the failure to pay. If MVW in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then MVW shall pay to Rewards the undisputed amount, if any,

and MVW shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 27. Notwithstanding anything to the contrary in Section 27, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Rewards or its Affiliates, then MVW shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Rewards or its Affiliates, then MVW shall not be required to pay the disputed amount and the escrowed funds shall be released to MVW. If MVW fails to cure the payment breach, Marriott may issue a notice of default to MVW and exercise any of the remedies under Section 11(c), and if the aggregate amount outstanding that MVW has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), Marriott may terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW;

(ii) If MVW or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to Rewards or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by Marriott and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, Marriott may issue a notice of default and terminate this Agreement immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c);

(iii) If MVW or its Affiliates fail to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement, the Tax Sharing and Indemnification Agreement, the Employee Benefits Allocation Agreement or under all such agreements taken together, then Marriott may issue a notice of breach to MVW with respect to such failure. MVW shall have ten (10) business days following notice of breach to cure the failure to pay. If MVW in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then MVW shall pay to Marriott the undisputed amount, if any, and MVW shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 27. Notwithstanding anything to the contrary in Section 27, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to Marriott or its Affiliates, then MVW shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to Marriott or its Affiliates, then MVW shall not be required to pay the disputed amount and the escrowed funds shall be released to MVW. If MVW fails to cure the payment breach, then Marriott may issue a notice of default to MVW and terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c);

(iv) If MVW or any principal, director, officer, shareholder, or agent of MVW, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any Marriott Confidential Information in violation of this Agreement then:

(i) Marriott may issue a notice of breach to MVW. In connection with such breach, Marriott may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 11(c).

(ii) If an arbitration panel under Section 27 determines that (i) a material breach has occurred, (ii) (x) MVW has failed to exercise commercially reasonable efforts to prevent such breach or (y) such breach was intentional or resulted from MVW's gross negligence, and (iii) such breach has resulted or may result in the goodwill associated with the Rewards Program being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of the arbitration panel's determination Marriott may issue a notice of default to MVW and terminate this Agreement and all rights granted to MVW hereunder and/or exercise any of the other remedies under Section 11(c);

(v) If MVW or any of its Affiliates is convicted of a felony or other similar crime or offense or engages in a pattern or practice of acts or conduct that, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct:

(i) is likely to have or has had a material adverse effect on the Rewards Program, the goodwill associated with the Rewards Program or Marriott's interests therein, then Marriott may issue a notice of default and exercise any of the other remedies under Section 11(c); and

(ii) has or may result in the goodwill associated with the Rewards Program being so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then Marriott may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which MVW will undertake to remedy the breach to Marriott's satisfaction. If MVW fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, Marriott may issue a notice of default and terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c).

(vi) If MVW assigns this Agreement, any of its rights hereunder or delegates any of its duties under this Agreement in violation of this Agreement, Marriott may issue a notice of default. If MVW fails to notify Marriott within fourteen (14) days following the notice of breach that MVW intends to unwind such assignment or fails to actually unwind such assignment in a manner satisfactory to Marriott within ninety (90) days following the notice of breach, then Marriott may issue a notice of default and terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c); provided, however, that nothing herein shall restrict or limit Marriott's ability to seek injunctive relief to stop such assignment at any time;

(vii) If MVW dissolves or liquidates except in connection with an assignment permitted by Section 17 of this Agreement, Marriott may issue a notice of default and terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c); or

(viii) To the extent permitted by Applicable Law, if MVW becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on Marriott, Marriott's Affiliates or the Rewards Program, Marriott may issue a notice of default and terminate this Agreement and all rights granted to MVW hereunder immediately upon notice to MVW and/or exercise any of the other remedies under Section 11(c).

(c) Upon any default under Section 11(b)(i) through (viii), Marriott shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 11(b)(i) through (viii):

(i) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. MVW acknowledges and agrees that, in the event that Marriott terminates this Agreement pursuant to a termination right expressly identified in Section 11(b), Marriott will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement. MVW agrees that Marriott has devoted substantial resources to developing and building the Rewards Program and that the Rewards Program, including the significant reputation and goodwill associated therewith, have been developed by Marriott over a period of years prior to the Effective Date. MVW further acknowledges and agrees that, in the event Marriott terminates this Agreement as a result of a material event of default hereunder by MVW, it would be commercially impossible for Marriott to take measures to recreate the Licensed Business or develop an equivalent business, and, therefore it would be unreasonable to expect or require Marriott to mitigate its damages resulting from such default and termination;

(ii) To suspend MVW's rights to offer Rewards Points for any type of Permitted Use, upgrade MVW customers with Elite Status or be included in Rewards' communications, marketing or promotional materials until the breach is cured; and

(iii) To suspend MVW's right to access and use information included in the Rewards Program for sales and marketing efforts until the breach is cured.

(d) The breaches listed in (i) through (viii) below are deemed to be material breaches for which Marriott may be placed in default under this Agreement if (x) MVW gives Marriott notice of the breach that provides the applicable cure period for the applicable breach (or such greater number of days given by MVW in its sole discretion or required by Applicable Law) and (y) Marriott fails to cure the breach in the time and manner specified in the notice of breach or as specifically provided in this Section. If Marriott fails to cure the breach and is placed in default, then MVW may exercise the applicable remedy for the specific default as set forth below:

(i) If Marriott or its Affiliates fail to pay any amounts due under this Agreement to MVW or any of its Affiliates when the same becomes due and payable, then MVW may issue a notice of breach to Marriott with respect to such failure. Marriott shall have ten (10) business days following notice of breach to cure the failure to pay. If Marriott in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Marriott shall pay to MVW the undisputed amount, if any, and Marriott shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 27. Notwithstanding anything to the contrary in Section 27, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to MVW or its Affiliates, then Marriott shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to MVW or its Affiliates, then Marriott shall not be required to pay the disputed amount and the escrowed funds shall be released to Marriott. If Marriott fails to cure the payment breach, MVW may issue a notice of default to Marriott and exercise any of the remedies under Section 11(e), and if the aggregate amount outstanding that Rewards has failed to pay at any time is in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator), MVW may terminate this Agreement immediately upon notice to Marriott;

(ii) If Marriott or its Affiliates fail to pay any amount in excess of two million five hundred thousand dollars ($2,500,000) (as adjusted annually after the Effective Date by the GDP Deflator) due to MVW or any of its Affiliates when the same becomes due and payable, in each case, after having been issued a notice of breach by MVW and having failed to cure the failure to pay within ten (10) business days following such notice, three (3) or more times within any thirty-six (36) month period, MVW may issue a notice of default and terminate this Agreement immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(e);

(iii) If Marriott or its Affiliates fails to pay when due a total amount in excess of five million dollars ($5,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) under the Distribution Agreement, Marriott License Agreement, Ritz-Carlton License Agreement, under the Tax Sharing and Indemnification Agreement, under the Employee Benefits Allocation Agreement or under all such agreements taken together, then MVW may issue a notice of breach to Marriott with respect to such failure. Marriott shall have ten (10) business days following notice of breach to cure the failure to pay. If Marriott in good faith disputes the amount due and payable and the parties are unable to resolve the discrepancy, then Marriott shall pay to MVW the undisputed amount, if any, and Marriott shall pay the disputed amount into an escrow account. The disagreement regarding the disputed amount shall be submitted to an arbitration panel for resolution pursuant to Section 27. Notwithstanding anything to the contrary in Section 27, the non-prevailing party shall pay the prevailing party's costs of the arbitration, including attorneys' fees. If the arbitration panel determines that any or all of the disputed amount is owed to MVW or its Affiliates, then Marriott shall pay such amount and may use the amount in the escrow to pay such amount. If the arbitration panel determines that none of the disputed amount is owed to MVW or its Affiliates, then Marriott shall not be required to pay the disputed amount and the escrowed funds shall be released to Marriott. If Marriott fails to cure the payment breach, then MVW may issue a notice of default to Marriott and terminate this Agreement immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(e);

(iv) If Marriott or any principal, director, officer, shareholder, or agent of Marriott, contrary to the provisions of this Agreement, discloses, causes, or fails to exercise commercially reasonable efforts to prevent the disclosure of, or otherwise uses in an unauthorized manner, any MVW Confidential Information in violation of this Agreement then:

(i) MVW may issue a notice of breach to Marriott. In connection with such breach, MVW may, depending on various factors, including, the severity of the breach, whether the breach was intentional or unintentional, and the damages or potential damages resulting from such breach, exercise any of the remedies provided for in Section 11(e).

(ii) If an arbitration panel under Section 27 determines that (i) a material breach has occurred, (ii) (x) Marriott has failed to exercise commercially reasonable efforts to prevent such breach or (y) or such breach was intentional or resulted from Marriott's gross negligence, and (z) such breach has resulted or may result in the goodwill associated with MVW's use of the Rewards Program in connection with the Licensed Business being so materially damaged as a result of the breach that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then upon the rendering of the arbitration panel's determination MVW may issue a notice of default to Marriott and terminate this Agreement and/or exercise any of the other remedies under Section 11(e);

(v) If Marriott assigns this Agreement, any of its rights hereunder or delegates any of its duties under this Agreement in violation of this Agreement, MVW may issue a notice of default. If Marriott fails to notify MVW within fourteen (14) days following the notice of breach that Marriott intends to unwind such assignment or fails to actually unwind such assignment in a manner satisfactory to MVW within ninety (90) days following the notice of breach, then MVW may issue a notice of default and terminate this Agreement and all rights granted to Marriott hereunder immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(c); provided, however, that nothing herein shall restrict or limit MVW's ability to seek injunctive relief to stop such assignment at any time;

(vi) If Marriott dissolves or liquidates, except in connection with an assignment permitted by Section 17 of this Agreement, MVW may issue a notice of default and terminate this Agreement immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(e);

(vii) To the extent permitted by Applicable Law, if Marriott becomes insolvent, generally does not pay its debts as they become due, or files a voluntary petition (or consents to an involuntary petition or an involuntary petition is filed and is not dismissed within sixty (60) days) under any bankruptcy, insolvency, or similar law, and such bankruptcy or insolvency has a material adverse effect on the Rewards Program or MVW or MVW's Affiliates, MVW may issue a notice of default and terminate this Agreement immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(e); or

(viii) If Marriott or any of its Affiliates is convicted of a felony or other similar crime or offense and such conviction is the actual and sole cause of MVW being prevented from obtaining or retaining the licenses that it requires to continue operating the Licensed Business:

(i) at any individual Project(s), then MVW may issue a notice of breach and exercise any of the remedies under Section 11(e);

(ii) at all or substantially all of the Projects and the Licensed Business is so materially damaged that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then MVW may issue a notice of breach. Upon such notice of breach, the parties will agree to a Remediation Arrangement under which Marriott will undertake to remedy the breach to MVW's satisfaction. If Marriott fails to enter into a Remediation Arrangement within ninety (90) days following the date of the notice of breach or fails to cure the breach pursuant to the Remediation Arrangement, MVW may issue a notice of default and terminate this Agreement immediately upon notice to Marriott and/or exercise any of the other remedies under Section 11(e).

(e) Upon any default under Section 11(d)(i) through (viii), MVW shall have the right to pursue any one or more of the following remedies in addition to the remedies provided for in Sections 11(d)(i) through (viii):

(i) To institute any and all proceedings permitted by Applicable Law or in equity with respect to such event of default, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages. Marriott acknowledges and agrees that, in the event that MVW terminates this Agreement pursuant to a termination right expressly identified in Section 11(d), MVW will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of the Agreement; or

(ii) To suspend provision of the services that MVW is required to provide to Marriott under this Agreement until the breach is cured.

(f) If MVW or Marriott materially fail to fulfill any of the other material covenants, undertakings, obligations or conditions set forth in this Agreement, the Electronic Systems License Agreement, or the Design Review Addendum, except for where specific remedies are identified for breaches and defaults described in Section 11(b) through (e), the non-defaulting party shall have the right to institute any and all proceedings permitted by Applicable Law or in equity with respect to such failure, including, without limitation, actions for injunctive and/or declaratory relief (including specific performance) and/or damages; provided, however, that the non-defaulting party shall not have the right to terminate this Agreement with respect to such failure unless it is determined by an arbitration panel under Section 27 that (i) the non-defaulting party has been or will be damaged in an amount in excess of fifty million dollars ($50,000,000) (as adjusted annually after the Effective Date by the GDP Deflator) or (ii) the goodwill associated with the Rewards Program (if Marriott is the non-defaulting party) or the Licensed Business (if MVW is the non-defaulting party) has been or will be so materially damaged as a result of the conduct of the defaulting party that interim injunctive relief is an inadequate remedy and that termination of the entire relationship contemplated by this Agreement is the only adequate remedy, then the non-defaulting party shall have the right to terminate this Agreement upon the rendering of arbitration panel's determination. The parties acknowledge and agree that, in the event that the non-defaulting party terminates this Agreement pursuant to this Section 11(f), the non-defaulting party will, in addition to the right to terminate, have the right to seek and obtain damages with respect to the termination of this Agreement.

(g) If either MVW's or Marriott's failure to conform to, keep, perform, fulfill, or satisfy any representation, warranty, covenant, undertaking, obligation, standard, test, or condition set forth in this Agreement, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

(h) If either MVW's or Marriott's failure to conform to, keep, perform, fulfill, or satisfy a material obligation set forth in this Agreement that affects all or substantially all of the services to be provided under this Agreement or that has a material adverse effect on the

Rewards Program as a whole, other than an obligation to make monetary payments or provide monetary funding, is caused in whole or in material part by one or more Extraordinary Events, such failure shall not constitute a failure or a default under this Agreement, and such failure shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s) and so long as cure is diligently pursued.

Section 12. Effect of Termination.

(a) The termination or expiration of the Agreement will have no effect on any Rewards Points earned by, or issued by Rewards to, MVW customers for Permitted Uses prior to such termination, which Rewards Points will continue to be usable by Rewards Members in a manner consistent with the Program Rules.

(b) Any unpaid amounts payable by MVW to Rewards as of the date of termination under Sections 2 or 3 above will be automatically due and payable in full upon termination of this Agreement.

Section 13. Changes to the Rewards Program.

(a) Marriott and MVW agree to meet annually at a mutually agreed upon time and place to discuss anticipated material changes to the Rewards Program ("Material Program Changes").Marriott will use good faith efforts to meet with MVW on a quarterly basis to discuss any Material Program Changes.

(b) Marriott will reasonably consider changes to the Rewards Program suggested by MVW which address issues specifically relevant to the Licensed Destination Club Business (including any systems enhancements needed to implement such changes) within a reasonable time after receiving a formal proposal from MVW containing, as applicable: (i) the business rationale for such change, (ii) the expected impact on MVW of such change and, to the extent known, the expected impact on the Rewards Program and (iii) a proposed implementation plan and estimate of any known implementation costs. Within 30 days of receipt of a formal proposal from MVW regarding a suggested change to the Rewards Program, Marriott shall (i) acknowledge receipt of such formal proposal from MVW and (ii) provide a preliminary estimate of the timeframe for a response to such formal proposal. MVW shall provide such additional information about a proposed change to the Rewards Program as Marriott reasonably requests. Marriott may condition its consent to changes to the Rewards Program suggested by MVW on factors such as, for example: MVW's assumption of the costs related to such implementation, including, without limitation, incremental internal or out-of-pocket design costs and operating costs (and the allocation thereof on a fair and reasonable basis to other Rewards Program participants who benefit from the change); the difficulties of designing or administering such changes; the impact of such changes on the Rewards Program generally; third party consent requirements; the prioritization of other Rewards Program projects; and considerations relating to owners and franchisees associated with Licensor Lodging Facilities.

(c) Marriott shall have the right to make changes to the Rewards Program at any time, in its sole discretion, subject only to any express obligation or limitation set forth in this Agreement. Notwithstanding the foregoing, Marriott agrees that in no event shall Marriott,

without MVW's prior consent, (i) impose new Program Rules that are, or amend or modify any Program Rules, that as amended or modified would be, in conflict with Applicable Law, (ii) impose new Program Rules or amend or modify any Program Rules or exceptions thereto that, in each case, exclusively relate to the Licensed Destination Club Business, including without limitation the Program Rules set forth in the Services Manual, or (iii) impose new Program Rules or amend or modify any Program Rules that have a disproportionate adverse impact on an individual Rewards Member who owns a Licensed Destination Club Product as compared to a similarly situated Rewards Member who does not own a Licensed Destination Club Product. The Program Rules shall continue to provide that Rewards Points issued by MVW in respect of Usage Rights may not be redeemed for stays at Licensed Destination Club Projects. MVW shall, as part of the sales process with respect to the sale of Licensed Destination Club Products, provide written disclosure to each prospective purchaser to the effect that (i) all Rewards Points are subject to the Program Rules and (ii) Marriott may modify the Program Rules at any time in its sole discretion. MVW shall be permitted to incorporate such disclosure with other disclosures MVW makes to prospective purchasers.

(d) If Marriott adopts a new Program Rule that becomes effective after the Effective Date, or amends or modifies any Program Rule after the Effective Date, that MVW reasonably believes is in conflict with MVW's contractual obligations to persons who own Licensed Destination Club Products, MVW shall notify Marriott in writing as promptly as practicable and the parties agree to enter into good faith negotiations to reach a resolution regarding such conflict and such new or amended Program Rule shall not apply to MVW while such good faith negotiations are occurring. If the parties are not able to resolve such conflict through such good faith negotiations within 30 days after MVW notifies Marriott in writing of such conflict, the parties will resolve such conflict in accordance with the process set forth in the Services Manual, and such new or amended Program Rule shall not apply to MVW while such conflict resolution process is occurring.

(e) MVW acknowledges that Marriott is under no obligation to continue the Rewards Program. In the event that the Rewards Program is eliminated, Marriott will treat MVW and MVW customers who hold Rewards Points in a manner consistent with other Rewards Program participants. In the event monetary contributions made by participants in the Rewards Program are refunded to participants, applicable refunds to MVW and MVW customers will be made in a fair and reasonable manner, as determined by Marriott in its reasonable discretion.

(f) In the event the Rewards Program is combined with or becomes part of another loyalty program, Marriott will treat MVW and MVW customers in a manner consistent with other Rewards Program participants.

Section 14. Cooperation.

(a) Marriott will reasonably cooperate with MVW to develop and offer packages that enable Rewards Members to redeem Rewards Points for awards that include both hotel stays and Airline Miles ("Combo Awards") and other specific awards that support MVW's sales processes and value proposition. Marriott and MVW acknowledge that the "5 Night Combo Award" feature was created specifically to support MVW's sales process and value

proposition. If Marriott terminates the use of any Combo Awards in the Rewards Program, Marriott may also terminate the use of similar Combo Awards by MVW customers; however, such termination will only be effective upon six months' prior notice to MVW, provided, that if the termination of such Combo Awards is due to action by a third party, such six month notice period may be shortened to correspond to the date on which such third party action becomes effective.

(b) Marriott agrees to enter into (and to cause Ritz-Carlton to enter into) good faith negotiations with MVW in the event that MVW desires to participate in The Ritz-Carlton Rewards Program in connection with the Ritz-Carlton Destination Club Business (as such term is defined in the Ritz-Carlton License Agreement). During the twenty-four (24) months following the Effective Date, MVW will not, directly or indirectly, enter into any negotiations or other discussions with any Person other than Marriott and Ritz-Carlton with respect to the affiliation of the Ritz-Carlton Destination Club Business with a travel customer loyalty program provided by a third-party. In the event that the parties are unable to agree on terms under which the Ritz-Carlton Destination Club Business will participate in The Ritz-Carlton Rewards Program within twenty-four (24) months following the Effective Date, the parties agree that, with respect to the Ritz-Carlton Destination Club Business only, MVW may affiliate with a travel customer loyalty program provided by a third-party if (i) such travel customer loyalty program is not primarily focused on the lodging industry and is consistent with the luxury positioning of the Ritz-Carlton brand and (ii) MII provides its prior written consent, not to be unreasonably withheld, to such affiliation; provided, however, that "Ritz-Carlton" may not be used in the name of such third-party loyalty program. In the event of a Dispute regarding clause (i) or (ii) above, either party may refer the matter to an Expert for resolution. The parties agree that MVW will pay any initial costs incurred by Rewards to enable MVW to participate in The Ritz-Carlton Rewards Program in connection with the Ritz-Carlton Destination Club Business.

(c) Marriott will use commercially reasonable efforts to enable MVW to participate after the Effective Date in Rewards Program partner agreements in which MVW is eligible to participate such that MVW will have access to partner marketing channels, incentives, customer database and marketing programs and platforms on a basis generally consistent with the MHR Hotels brand (after taking into account differences in the Licensed Destination Club Business as compared with the business conducted by other Licensor Lodging Facilities), as set forth in the Services Manual.

Section 15. Reporting.

(a) Marriott will report to MVW the information relating to Rewards Program usage by MVW customers set forth in the Services Manual and such other information as is otherwise reasonably requested by MVW. The parties acknowledge that the type of information provided by Marriott to MVW may change as Marriott's reporting systems and capabilities change. Marriott will modify its reporting systems, within parameters determined by Marriott in its sole discretion, to enable Marriott to provide reports to MVW that segregate redemption and billing data for Rewards Points issued for Sales/Exchanges into two distinct categories for (i) Commencement Date Points and (ii) Rewards Points issued to MVW customers on or after the Commencement Date. Marriott's modification to its reporting systems pursuant to the preceding sentence will be at no cost to MVW.

(b) MVW shall receive, upon request, (i) the Statement of Program Activity for Marriott Rewards, prepared by Marriott's independent auditors on an annual basis and (ii) Marriott's report named "Reconciliation Analysis of MHR Brand Funding" (or the successor report), including a schedule showing the calculation to convert the funding rate for MHR Hotels to the MVW charge per 1,000 Rewards Points, on an annual basis to verify the accuracy of the calculation of the MVW Base Funding Rate (as defined in *Exhibit A*). Due to the unique nature of the calculation of the MVW Base Funding Rate (as defined in *Exhibit A*), Marriott has agreed that MVW may receive the following information regarding the calculation of the MVW Base Funding Rate. In connection with the preparation of the Statement of Program Activity for Marriott Rewards for any year, if a new MVW Base Funding Rate became effective as of the beginning of the then-current year, Marriott will direct the independent auditor that is preparing the Statement of Program Activity for Marriott Rewards to determine whether such new MVW Base Funding Rate was calculated in accordance with this Agreement. Such auditor will provide a copy of its audit opinion letter regarding the calculation of the MVW Base Funding Rate to MVW and the cost of such audit opinion will not be paid by MVW. If the auditor concludes that such MVW Base Funding Rate was not calculated in accordance with this Agreement and was higher than it should have been, Rewards shall pay (or credit, if applicable) an amount equal to the excess paid by MVW to MVW in connection with the incorrect MVW Base Funding Rate the within 30 days of such determination. If the auditor concludes that such MVW Base Funding Rate was not calculated in accordance with this Agreement and was lower than it should have been, MVW shall pay an amount equal to the shortfall to Rewards within 30 days of such determination.

Section 16. Third Party Consents. MVW acknowledges that certain provisions of this Agreement may be subject to third party approval.

Section 17. Assignment.

(a) Except as otherwise expressly provided herein or in connection with a permitted transfer of the License Agreement under Section 17.1 of the License Agreement, MVW may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement, or sell, transfer or dispose of all or substantially all of its assets relating to the Licensed Business, or merge or consolidate with any other entity in which MVW is not the surviving entity, or engage in a transaction or series of related transactions that result in a Change in Control without Marriott's prior written consent which it may grant or withhold in its sole discretion. Any such assignment will be a material default under this Agreement, and Marriott shall be entitled to enjoin or obtain a court order prohibiting such assignment without posting a bond. MVW shall not assign any rights under this Agreement to a Specially Designated National or Blocked Person. If a Specially Designated National or Blocked Person acquires a Controlling Interest in MVW, Marriott shall have the right to terminate this Agreement immediately upon notice to MVW. In the event of a permitted transfer of the License Agreement under Section 17.1 of the License Agreement, MVW shall be permitted to assign this Agreement to any such permitted transferee.

(b) None of the Guarantors may assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement without Marriott's prior written consent which it may grant or withhold in its sole discretion.

(c) Except as otherwise expressly provided herein, MII may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement without MVW's prior written consent which it may grant or withhold in its sole discretion, provided, however, that MII may assign, delegate, sell or transfer this Agreement without prior notice, or consent of, MVW, to an assignee who (a) assumes MII's obligations to MVW under this Agreement and (b) (i) is an Affiliate of MII that has the legal, financial, and operational ability to perform the obligations of MII under this Agreement or (ii) acquires all or substantially all of MII's rights in respect of (i) the System, (ii) MHR Hotels, and (iii) the Branded Elements. This Agreement will be binding on and inure to the benefit of MII and the successors and assigns of MII. MII shall not assign any rights under this Agreement to a Specially Designated National or Blocked Person. If a Specially Designated National or Blocked Person acquires a Controlling Interest in MII, MVW shall have the right to terminate this Agreement immediately upon notice to Marriott.

(d) Except as otherwise expressly provided herein, Rewards may not assign this Agreement or assign any of its rights hereunder, or delegate any of its duties under this Agreement without MVW's prior written consent which it may grant or withhold in its sole discretion, provided, however, that Rewards may without such consent assign this Agreement or any of its rights hereunder, or delegate any of its duties under this Agreement to any of MII's Affiliates or in connection with an assignment by MII permitted hereunder. This Agreement will be binding on and inure to the benefit of each of the parties hereto, their successors and assigns, provided that the terms of this Section 17 shall have been met.

(e) MVW acknowledges that Marriott and its Affiliates operate as a multi-national business enterprise. Without limiting this Section 17, Marriott has the right to assign all or part of its rights under this Agreement to any of Marriott's Affiliates and, in connection therewith, require MVW to pay amounts due under this Agreement to such Affiliates. However, if, as a result of any such assignment, MVW will be liable for greater Tax liability for payments due hereunder following such assignment, any resulting increase in Tax liability shall be borne by Marriott and not by MVW.

(f) MVW may not assign, mortgage, or grant a security interest in, or pledge as collateral, this Agreement, except as permitted hereunder. At MVW's request, Marriott hereby agrees to provide to MVW's lender a comfort letter that is substantially similar to the form of comfort letter that has been agreed to by the parties as of the Effective Date, so long as such lender is not an Affiliate of MVW and MVW is not in breach of any of its obligations under this Agreement. However, Marriott has no obligation to provide a "comfort letter" in connection with, or consent to, a transaction that would be prohibited by this Section 17. If a lender forecloses on, or otherwise exercises its rights against the interests of MVW in this Agreement, or MVW violates this Section 17, Marriott will have the right to pursue the remedies provided for in Section 11.

Section 18. MVW Associates.

(a) Marriott agrees that following the Effective Date, MVW associates ("MVW Associates") shall be eligible to become Rewards Members (MVW Associates who become Rewards Members, "MVW Associate Rewards Members"). MVW Associate Rewards

Members shall be subject to all Program Rules; provided, that MVW Associate Rewards Members shall not earn Rewards Points or room night credits towards Elite Status with respect to stays at Participating Properties when such MVW Associate Rewards Members pay “Associate Pleasure” or “Associate Business” rates.

(b) All inquiries regarding Rewards Member accounts must be addressed to Marriott Guest Services. MVW Associates may not access their own Rewards Member accounts or the accounts of their friends and/or family members through Marriott systems including the IMS/CRIS systems.

(c) As of or prior to the Effective Date, MVW shall adopt and maintain a policy directed at preventing MVW Associates from engaging in fraudulent activity in connection with the Rewards Program. Among other things, this policy shall prohibit MVW Associates from accessing their own Rewards Member accounts or the accounts of their friends and/or family members through Marriott systems. MVW shall provide a copy of this policy, and any changes thereto, to Marriott. MVW shall provide such assistance as Marriott reasonably requests in connection with Marriott’s efforts to determine whether any MVW Associate is engaging in fraudulent activity in connection with the Rewards Program.

Section 19. Notices.

(a) Subject to Section 19(b) below, all notices, requests, demands, statements, and other communications required or permitted to be given under the terms of this Agreement will be in writing, in the English language, and delivered by hand against receipt or carried by reputable overnight/international courier service, to the respective party at the following addresses

To Rewards, to:

Marriott Rewards, LLC
10400 Fernwood Road
Bethesda, MD 20817
Attention: SVP Marriott Rewards/CRM; Dept. 559MR01
Facsimile: (301) 380-5133

with a copy (which shall not constitute notice) to:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
Attention: Law Department/Lodging Operations
Dept. 52/923.27
Facsimile: (301) 380-6727

To MII, to:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
Attention: Chief Financial Officer
Dept. 52/924.11
Facsimile: (301) 380-5067

with a copy (which shall not constitute notice) to:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
Attention: General Counsel
Dept. 52/923
Facsimile: (301) 380-6727

To MVWC and the Guarantors, to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
Attention: President & Chief Executive Officer
Facsimile: (407) 206-6037

with a copy (which shall not constitute notice) to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
Attention: General Counsel
Facsimile: (407) 513-6680

To Marriott Ownership Resorts, Inc., to:

Marriott Ownership Resorts, Inc.
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
Attention: President & Chief Executive Officer
Facsimile: (407) 206-6037

with a copy (which shall not constitute notice) to:

Marriott Ownership Resorts, Inc.
6649 Westwood Blvd.
Suite 500
Orlando, Florida 32821
Attention: General Counsel
Facsimile: (407) 513-6680

or at such other address as designated by notice from the respective party to the other parties. Any such notice or communication will be deemed to have been given at the date and time of: (i) receipt or first refusal of delivery if delivered by hand or; (ii) two days after the posting thereof if sent via reputable overnight/international courier service.

(b) The parties may exchange routine information and invoices by regular mail or by e-mail, facsimile, or by making such information available to the other parties on the Internet, an extranet, or other electronic means.

Section 20. Governing Law; Jurisdiction. This Agreement is executed pursuant to, and will be interpreted and construed under the laws of New York, without regard to the conflict of laws provisions of such jurisdiction. Nothing in this Section 20 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state which would not otherwise apply absent this Section 20. Each party hereto hereby expressly and irrevocably submits itself to the non-exclusive jurisdiction of the courts of New York for the purpose of resolving any Disputes under Section 29. So far as is permitted under the laws of New York, this consent to personal jurisdiction will be self-operative.

Section 21. WAIVER OF JURY TRIAL AND PUNITIVE AND EXEMPLARY DAMAGES. THE PARTIES AGREE THAT EACH PARTY HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY AND THE RIGHT TO CLAIM OR RECEIVE SPECIAL, CONSEQUENTIAL, PUNITIVE AND EXEMPLARY DAMAGES IN ANY ARBITRATION, LITIGATION, ACTION, CLAIM, SUIT OR PROCEEDING, AT LAW OR IN EQUITY, ARISING OUT OF, PERTAINING TO OR IN ANY WAY ASSOCIATED WITH THE COVENANTS, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES SET FORTH IN THIS AGREEMENT, THE RELATIONSHIPS OF THE PARTIES HERETO, THIS AGREEMENT, WHETHER AS "MARRIOTT" "GUARANTOR" OR "MVW" OR OTHERWISE OR ANY ACTIONS OR OMISSIONS IN CONNECTION WITH ANY OF THE FOREGOING.

Section 22. Third Party Rights. The provisions of this Agreement are solely for the benefit of the parties hereto, and are not intended to confer upon any person except the parties hereto, any rights or remedies hereunder. There are no third party beneficiaries of this Agreement and this Agreement will not provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 23. Amendment. No agreement of any kind relating to the matters covered by this Agreement will be binding upon any party unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties. This Agreement may only be amended in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties and may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Agreement by conduct manifesting assent or by electronic signature is not authorized to do so.

Section 24. Approvals, Consents and Waivers. Except as otherwise provided in this Agreement, approvals, designations, and consents required under this Agreement will not be effective unless evidenced by a writing signed by the duly authorized officer or agent of the party giving such approval or consent. No waiver, delay, omission, or forbearance on the part of a party hereto to exercise any right, option or power arising from any default or breach by the other party, or to insist upon strict compliance by the other party with any obligation or condition hereunder, will affect or impair the respective rights of a party hereto, with respect to any such default or breach or subsequent default or breach of the same or of a different kind. Any delay or omission of any party to exercise any right arising from any such default or breach will not affect or impair such party's rights with respect to such default or breach or any future default or breach. No party will be liable to any other party for providing (or denying) any waiver, approval, consent, or suggestion to such other party in connection with this Agreement or by reason of any delay or denial of any request.

Section 25. Construction and Severability.

(a) Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement, including Section 31, will be considered severable; and if, for any reason any section, part, term, or provision is determined to be invalid, unenforceable or contrary to, or in conflict with, any existing or future laws, regulations, ordinances, rules, orders, decrees, and requirements of any governmental authority ("Applicable Law") or by an arbitral tribunal, a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other sections, parts, terms, and provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto. To the extent possible, such invalid or unenforceable sections, parts, terms, or provisions will be deemed to be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

(b) No right or remedy conferred upon or reserved to a party hereto by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

(c) When this Agreement provides that any party may take or refrain from taking any action or exercise discretion, such as rights of approval or consent, or to modify the Rewards Program or any part of it, or to make other determinations or modifications under this Agreement, such party may do so from time to time.

(d) Unless otherwise stated, references to Sections are to Sections of this Agreement.

(e) Unless otherwise stated, references to Exhibits are to Exhibits to this Agreement, and all of such are incorporated by reference into this Agreement.

(f) Words importing the singular include the plural and vice versa as the context may imply. Words importing a gender include each gender as the context may imply.

(g) Unless otherwise stated, references to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

(h) The words “include,” “included” and “including” will be terms of enlargement or example (meaning that, for instance, “including” will be read as “including but not limited to”) and will not imply any restriction or limitation unless the context clearly requires otherwise.

(i) Captions and section headings are used for convenience only. They are not part of this Agreement and will not be used in construing it.

(j) The Recitals are incorporated in and made part of this Agreement.

Section 26. Independent Contractor. This Agreement does not create a fiduciary relationship between Marriott and MVW. Marriott and MVW are independent contractors, and nothing in this Agreement is intended to constitute either MVW or Marriott as an agent, legal representative, subsidiary, joint venturer, partner, manager, employee, or servant of the other for any purpose. Nothing in this Agreement authorizes any party to make any contract, agreement, warranty, or representation on any other party’s behalf or to incur any debt or other obligation in any other party’s name.

Section 27. Arbitration.

(a) Except as otherwise specified in this Agreement, any dispute, controversy, or claim arising out of or relating to this Agreement, or the making, breach, termination, or invalidity of this Agreement, or the relationship created thereby (a “Dispute”) or any other matter concerning any aspect of the relationship of the parties will be finally settled, by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, except as modified herein (the “AAA Rules”), conducted in Washington, D.C.

(b) There will be three (3) arbitrators. If there are only two (2) parties to the arbitration, each of Marriott and MVW will appoint one (1) arbitrator within twenty (20) days after receipt by respondent of a copy of the demand for arbitration. For purposes of this Section 27, Marriott and its Affiliates, on one hand, and MVW and its Affiliates, on the other hand, will each be deemed to be one (1) party. The two (2) party-appointed arbitrators will have twenty (20) days from the appointment of the second (2nd) arbitrator to agree on a third (3rd) arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 27(b) will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause.

(c) Any Dispute to be settled by arbitration under this Section 27 will at the request of MVW or Marriott be resolved in a single arbitration before a single tribunal together with any Dispute arising out of or relating to this Agreement or any other agreement (including any other Transaction Agreements) between or among MVW, the Guarantors and their respective Affiliates on the one hand and Marriott or its Affiliates on the other. If there are

multiple claimants and/or multiple respondents to the effect that there are more than two (2) parties to the arbitration, all claimants and/or all respondents will attempt to agree upon their respective appointments. If such multiple parties fail to nominate an arbitrator within thirty (30) days, the AAA will appoint an arbitrator on their behalf. In such circumstances, any existing nomination of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrators will be appointed in accordance with AAA Rules R. 12 and R. 13.

(d) Any controversy concerning whether a Dispute is an arbitrable Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 27 will be determined by the arbitrators.

(e) The decision of the arbitral tribunal will be final and binding upon the parties, and such decision will be enforceable through any courts having jurisdiction. The arbitral tribunal will have no authority to amend or modify the terms of this Agreement. The arbitral tribunal may award or include in their award any relief they deem proper in the circumstances, including money damages (with Interest on unpaid amounts from the date due), specific performance and legal fees and costs in accordance with this Agreement; however, the arbitral tribunal may not award special, punitive, consequential or exemplary damages. The costs and expenses of arbitration will be allocated and paid by the parties as determined by the arbitral tribunal. The arbitral tribunal will have the authority to make such orders granting interim or provisional relief during the pendency of the arbitration as it deems just and equitable. Any such order will be without prejudice to the final determination of the controversy.

(f) The parties will use their reasonable best efforts to encourage the arbitrators to resolve any arbitration related to any Dispute as promptly as practicable. Subject to Applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by Applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

(g) Any arbitration proceeding under this Agreement will be conducted on an individual (not a class-wide) basis and will not be consolidated with any other arbitration proceedings to which Marriott is a party, except as specified below. No decision on any matter in any other arbitration proceeding in which Marriott is a party will prevent any party to the arbitration proceeding from submitting evidence with respect to the same or a similar matter or prevent the arbitral tribunal from rendering an independent decision without regard to such decision in such other arbitration proceeding.

(h) Marriott or MVW may, without waiving any rights it has under this Agreement, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property.

(i) The provisions of this Section 27 will survive the expiration or termination of this Agreement.

Section 28. Expert Resolution. Where this Agreement calls for a matter to be referred to an Expert for determination, the following provisions shall apply:

(a) The use of an Expert shall be the exclusive remedy of the parties and no party shall attempt to adjudicate any dispute in any other forum. The decision of the Expert shall be final and binding on the parties and shall not be capable of challenge, whether by arbitration, in court or otherwise. Recognition and enforcement of any decision or award rendered by the Expert may be sought in any court of competent jurisdiction.

(b) If any party calls for a determination by an Expert in accordance with the terms of this Agreement, the parties shall have ten (10) days from the date of such request to agree upon and appoint an Expert and, if they fail to agree, each party shall have an additional ten (10) days to make its respective selection of an Expert, and within ten (10) days of such respective selections, the two (2) respective Experts so selected shall select a third (3rd) Expert. If either party fails to make its respective selection of an Expert within the specified period, then the other party's selection shall be the Expert. If the two (2) respective Experts selected by the parties fail to select a third (3rd) Expert, then the third Expert shall be appointed by the AAA. Any dispute to be determined by the Expert pursuant to this Section shall, at the request of either party, be resolved in a single Expert proceeding before the same Expert(s) together with any dispute to be determined by an Expert arising out of or relating to this Agreement. In the event there is more than one (1) Expert, then the decision of Experts shall be determined by a majority vote.

(c) Each party shall be entitled to make written submissions to the Expert(s), and if a party makes any submission, it shall also provide a copy to the other parties and the other parties shall have the right to comment on such submission within the time periods established pursuant to Section 28(e). During the period beginning with the appointment of an Expert or the appointment of three (3) Experts pursuant to Section 28(b) and continuing until an Expert determination is rendered, no party shall communicate with any of the Experts regarding the subject matter submitted for determination without disclosing the content of any such communication to the other parties. The parties shall make available to the Expert(s) such books and records relating to the issue in dispute and shall render to the Expert(s) any assistance requested of the parties. The costs of the Expert(s) and the proceedings shall be borne as directed by the Expert(s) unless otherwise provided for herein.

(d) The Expert(s) shall decide the matter referred for determination by applying the terms, conditions and standards set forth in this Agreement regarding such matter.

(e) The terms of engagement of the Expert(s) shall include an obligation on the part of the Expert(s) to: (i) notify the parties in writing of the decision within thirty (30) business days from the date on which the Expert (or the last Expert, if there are three (3)) has been selected (or such other period as the parties may agree or as set forth herein); and (ii) establish a timetable for the making of submissions and replies.

Section 29. Injunctive Relief. Marriott or MVW will be entitled to injunctive or other equitable relief from a court of competent jurisdiction, without the necessity of proving the inadequacy of money damages as a remedy or irreparable harm, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement for which such relief is an available remedy.

Section 30. Costs of Enforcement. If for any reason it becomes necessary for any party to initiate any legal or equitable action to secure or protect its rights under this Agreement, the prevailing party will be entitled to recover all costs incurred by it in successfully enforcing such rights, including reasonable lawyers' fees.

Section 31. Indemnification.

(a) Each of MVW and Marriott (each, an "Indemnifying Party" as applicable) will, and hereby does, indemnify, defend, and hold harmless the other party and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns (each, an "Indemnified Party"), from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description, including allegations of negligence by such Indemnified Party, to the fullest extent permitted by Applicable Law, and including reasonable lawyers' fees, arising out of or resulting from any breach by the Indemnifying Party of any representation or warranty or covenant or agreement made by the Indemnifying Party in this Agreement.

(b) MVW or Marriott, as applicable, on behalf of the Indemnified Party, will promptly give notice to the Indemnifying Party of any action, suit, proceeding, claim, demand, inquiry, or investigation related to the foregoing for which the Indemnified Party may seek indemnification hereunder and shall provide the Indemnifying party with such information with respect thereto as the Indemnifying Party may reasonably request. The failure to provide such notice, however, shall not release the Indemnifying Party from any of its obligations under this Section 31 except to the extent that the Indemnifying Party is materially prejudiced by such failure. Under no circumstances will an Indemnified Party be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim for indemnification under this Agreement, and the failure to pursue such recovery or mitigate a loss will in no way reduce the amounts recoverable from an Indemnifying Party by an Indemnified Party hereunder. The parties' obligations under this Section 31 will survive the termination or expiration of this Agreement.

(c) MVW shall indemnify Marriott and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description, arising out of or resulting from fraudulent activity by MVW Associates in connection with the Rewards Program.

Section 32. Reasonable Business Judgment. Unless Marriott has reserved "sole discretion," Marriott will use its reasonable business judgment when discharging its obligations or exercising its rights or discretion under this Agreement. MVW agrees that Marriott, in the exercise of its reasonable business judgment, may act with the intention to benefit the Rewards Program and Marriott's business as a whole. MVW will have the burden of establishing that

Marriott failed to exercise reasonable business judgment, and neither the fact that Marriott benefited economically from an action nor the existence of other "reasonable" or "commercially reasonable" alternatives will, by themselves, imply such a failure. To the extent that any implied covenant, such as the implied covenant of good faith and fair dealing, or civil law duty of good faith is applied to this Agreement, Marriott and MVW intend that Marriott will not have violated such covenant or duty if Marriott has exercised reasonable business judgment.

Section 33. Counterparts; Authorization of Authority.

(a) This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes and all of which will constitute, collectively, one agreement. Delivery of an executed signature page to this Agreement by electronic transmission will be effective as delivery of a manually signed counterpart of this Agreement.

(b) As of the date of this Agreement, this Agreement, including, all exhibits, attachments, and the Transaction Agreements contain the entire agreement between the parties as it relates to the Rewards Program and Rewards Points. This is a fully integrated agreement.

(c) Each party represents, warrants and covenants that: (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; (ii) it and its Affiliates have and will continue to have the ability to perform its obligations under this Agreement; and (iii) it has and will continue to have all necessary power and authority to execute and deliver this Agreement.

(d) Each party represents, warrants and covenants that the execution and delivery of this Agreement and the performance by such party of its obligations hereunder: (i) have been duly authorized by all necessary action; (ii) subject to Section 16, do not require the consent, vote, or approval of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (A) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (B) any Applicable Law; or (C) subject to Section 16, any agreement, indenture, contract, commitment, restriction or other instrument to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound.

(e) Each party represents and warrants that all information provided in connection with this Agreement is true, correct and complete as of the time made and as of the Effective Date, regardless of whether such information was provided by such party or one of its Affiliates, or by a third party on behalf of such party, unless such has notified the other party hereto of a change in the information and the other party has approved the change.

Section 34. Guaranty.

(a) Each Guarantor unconditionally and irrevocably guaranties to Marriott that if MVW fails for any reason to perform when due any of its respective obligations to Marriott under this Agreement (the "Obligations") within the time specified therein, it will without any demand or notice whatsoever promptly pay or perform such Obligations (the "Guaranty"). The Guarantors acknowledge that the Guaranty is a continuing guaranty and may

not be revoked and shall not otherwise terminate unless this (i) Agreement has terminated or expired in accordance with Section 11 and (ii) all amounts owing to Marriott by MVW and the Guarantors pursuant to the Obligations have been paid in full. The liability of each Guarantor hereunder is independent of and not in consideration of or contingent upon the liability of MVW or any other Guarantor and a separate action or actions may be brought and prosecuted against any Guarantor, whether or not any action is brought or prosecuted against MVW or any other Guarantor or whether MVW or any other Guarantor is joined in any such action or actions. The Guaranty shall be construed as a continuing, absolute and unconditional guaranty both of performance and of payment (and not merely of collection) without regard to: (i) any modification, amendment or variation in or addition to the terms of any of the Obligations or any covenants in respect thereof or any security therefor, (ii) any extension of time for performance or waiver of performance of any covenant of MVW or any other Guarantor or any failure or omission to enforce any right with regard to or any other indulgence with respect to any of the Obligations, (iii) any exchange, surrender, release of any other guaranty of or security for any of the Obligations or (iv) any bankruptcy, insolvency, reorganization, or proceeding involving or affecting MVW or any other Guarantor, it being the Guarantor's intent that the Guarantor's obligations hereunder shall be absolute and unconditional under any and all circumstances.

(b) Each Guarantor hereby expressly waives diligence, presentment, demand, protest, and all notices whatsoever with regard to any of the Obligations and any requirement that Marriott exhaust any right, power or remedy or proceed against the MVW or any other Guarantor of or any security for any of the Obligations. Each and every default in payment or performance by MVW of any of the Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder against any Guarantor as each cause of action arises. Notwithstanding the foregoing, MII hereby acknowledges and agrees that the Guarantors do not waive any defense that an Obligation has already been paid, already been performed, is not due or yet due, or is subject to offset under the terms of this Agreement. For the avoidance of doubt, nothing herein shall obligate any Guarantor to make any payment which is illegal for such Guarantor to have made under any Applicable Law now or hereafter in effect in any jurisdiction applicable to such Guarantor.

(c) It being understood that the intent of Marriott is to obtain a guaranty from each Guarantor, and the intent of each Guarantor is to incur guaranty obligations, in an amount no greater than the largest amount that would not render such obligations subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, it is hereby agreed that:

(i) if (A) the sum of the obligations of the Guarantors hereunder (the "Guarantor Obligations") *exceeds* (B) the sum (such sum, the "Total Available Net Assets") of the Maximum Available Net Assets of the Guarantors and MVWC, in the aggregate, then the Guarantor Obligations of each Guarantor shall be limited to the greater of (x) the Total Available Net Assets and (y) the value received by such Guarantor in connection with the incurrence of the Guarantor Obligations to the greatest extent such value can be determined; and

(ii) if, but for the operation of this clause (ii) and notwithstanding clause (i) above, the Guarantor Obligations of any Guarantor hereunder otherwise would be subject to avoidance under Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, taking into consideration such Guarantor's (A) rights of contribution, reimbursement and indemnity from MVWC and the other Guarantors with respect to amounts paid by such Guarantor in respect of the Obligations (calculated so as to reasonably maximize the total amount of obligations able to be incurred hereunder), and (B) rights of subrogation to the rights of MII, then the Guarantor Obligations of such Guarantor shall be the largest amount, if any, that would not leave such Guarantor, after the incurrence of such obligations, insolvent or with unreasonable small capital within the meaning of Section 548 of the Bankruptcy Code or any applicable state law relating to fraudulent conveyances or fraudulent transfers, or otherwise make such obligations subject to such avoidance.

Any Person asserting that the Guarantor Obligations of a Guarantor are subject to clause (i) or are avoidable as referenced in clause (ii) shall have the burden (including the burden of production and of persuasion) of proving (x) the extent to which such Guarantor Obligations, by operation of clause (i), are less than the Obligations owed by MVW to Marriott or (y) that, without giving effect to clause (ii), the Guarantor Obligations of such Guarantor hereunder would be avoidable and the extent to which such Guarantor Obligations, by operation of clause (ii), are less than the Obligations of MVW, as the case may be.

Section 35. Currency; Place of Payment.

(a) All amounts payable to MVW or MII or their respective Affiliates under this Agreement or any other Transaction Agreement (including any judgment or arbitral award) must be paid in United States Dollars.

(b) Payments due to any party hereto or their respective Affiliates, unless otherwise agreed, will be paid by wire transfer of immediately available funds, as applicable, in the United States to the accounts designated by the receiving party.

(c) Any amount to be paid or reimbursed under this Agreement to MVW or MII or their respective Affiliates for reimbursable expenses shall be made free and clear and without deduction for any Taxes so that the amount actually received in respect of such payment (after payment of Taxes) equals the full amount stated to be payable in respect of such payment. To the extent any Applicable Law requires or allows deduction, payment or withholding of Taxes to be paid by the paying party directly to a governmental authority, the paying party must account for and pay such amounts promptly and provide to the receiving party receipts or other proof of such payment promptly upon receipt.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement, effective as of the Effective Date.

MARRIOTT INTERNATIONAL, INC.

By: /S/ CARL T. BERQUIST
Name: Carl T. Berquist
Title: Executive Vice President and Chief Financial Officer

MARRIOTT REWARDS, LLC

By: /S/ KEVIN M. KIMBALL
Name: Kevin M. Kimball
Title: Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

MARRIOTT OWNERSHIP RESORTS, INC.

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

[*ADDITIONAL SIGNATURES BLOCKS APPEAR ON THE FOLLOWING PAGE*]

SOLELY FOR THE PURPOSES OF THE GUARANTY IN SECTION 34:

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

MVCI ASIA PACIFIC PTE. LTD.

By: /S/ PASCALE DILLON
Name: Pascale Dillon
Title: Director

MVCO SERIES LLC

By: /S/ STEPHEN P. WEISZ
Name: Stephen P. Weisz
Title: President

Exhibit A

POINTS ISSUED	RATE
• For Exchange/Sales Uses	The MVW charge per 1,000 Rewards Points, calculated to the hundredth of a U.S. dollar, is an amount equal to (x) the MHR Funding Rate (as defined below), increased or decreased, as applicable, by (y) (i) the difference in the MI Breakage Rate and the MVW Breakage Rate, *divided by* (ii) the MI Usage Rate and increased or decreased, as applicable, by (z) the MVW Redemption Premium (this rate, the "MVW Base Funding Rate"). For the three fiscal year period beginning on December 31, 2011, the funding rate for MHR Hotels (the "MHR Funding Rate") is calculated by dividing Rewards Points funding received for the MHR Brand from (i) Rewards Points issued at the standard chargeout rate ("Standard Points") and (ii) Bonus Points (as defined below), by the number of Rewards Points issued in each of these categories over the Measuring Period ("MHR Funding Points"). The MHR Funding Rate will be calculated to the hundredth of a U.S. dollar and will be recalculated every three fiscal years based on the MHR Funding Points issued in the most recently completed Measuring Period in the formula set forth above, and such recalculated amount shall be used for the following three fiscal years. To the extent either the standard chargeout rate or the Bonus Point Funding Rate (as defined below) used in the calculation of the MHR Funding Rate is changed at any time during the term of this Agreement, the MHR Funding Rate shall be changed accordingly (such adjusted rate, the "Adjusted MHR Funding Rate"), and the MVW Base Funding Rate will be recalculated accordingly effective as of the same date the new standard chargeout rate becomes effective. The recalculated MVW Base Funding Rate would be equal to (x) the Adjusted MHR Funding Rate increased or decreased, as applicable, by (y) the difference in the MI Breakage Rate and the MVW Breakage Rate, *divided by* (ii) the MI Usage Rate and increased or decreased, as applicable, by (z) the MVW Redemption Premium. For clarification, the MI Breakage Rate, MVW Breakage Rate and MVW Redemption Premium used for such calculation shall be those used in the most recent calculation of the MVW Base Funding Rate.

The Adjusted MHR Funding Rate shall be calculated by dividing Rewards Points funding that would have been received during the Measuring Period for the MHR Brand from (i) Standard Points issued at the standard chargeout rate (which rate shall be the changed standard chargeout rate, if applicable) and (ii) Bonus Points issued at the Bonus Points Funding Rate (which rate shall be the changed Bonus Points Funding Rate, if applicable), by the number of MHR Funding Points. For clarification, the Standard Points, Bonus Points and MHR Funding Points used for such calculation shall be those used in the most recent calculation of the MHR Funding Rate.

"Measuring Period" is defined as follows: (i) for the first 3 years of the term of this Agreement, the Measuring Period is the period from fiscal 2008 through fiscal 2011 and (ii) for each subsequent 3 year period during the term of this Agreement, the Measuring Period is the 3 fiscal year period that ends as of the day preceding the first day of such subsequent 3 year period.

The "MVW Breakage Rate" is the MVW breakage rate as determined in the Marriott liability calculation. The Marriott liability calculation determines an estimated lifetime usage of Rewards Points issued for Exchanges/Sales Uses through an analysis of historical point usage by year. The most recent years in the analysis are included in calculating a weighted average of redemption use for the life of the Rewards Points issued for Exchanges/Sales Uses, which is used to project future usage of Rewards Points issued for Exchanges/Sales Uses by year. From this projected usage by year, an aggregate "Ultimate Redemption Ratio" (the "URR") expressed as a percentage is developed. The MVW Breakage Rate is equal to 100% minus the URR.

The "MI Breakage Rate" is the MI breakage rate as determined in the Marriott liability calculation. The Marriott liability calculation determines an estimated lifetime usage of Rewards Points issued to Marriott customers through an analysis of historical point usage by year. From this projected usage by year, an aggregate "Marriott Ultimate Redemption Ratio" expressed as a percentage (the "Marriott Ultimate Redemption Ratio") is developed. The Marriott Ultimate Redemption Ratio is also

POINTS ISSUED	RATE
	known as the MI Usage Rate (the "MI Usage Rate"). The MI Breakage Rate is a percentage equal to 100% *minus* the MI Usage Rate. The MI Breakage Rate and the MI Usage Rate will be calculated to the tenth of a percent. The "MVW Redemption Premium" will be: (x) the difference between the Actual Redemption Cost and the MHR Funding Rate adjusted by the MVW Breakage Rate; *divided by* (y) the MHR Funding Rate adjusted by the MVW Breakage Rate. The "Actual Redemption Cost" is: (x) the sum of: (i) the actual redemption costs of Rewards Points redeemed by MVW customers (other than Rewards Points redeemed for hotel stays) during the Measuring Period, *plus* (ii) 105% of the actual redemption costs of Rewards Points redeemed by MVW customers for hotel stays during the Measuring Period *plus* (iii) related overhead costs *divided by* (y) the number of Rewards Points redeemed by MVW customers during the Measuring Period. The MVW Redemption Premium will be calculated to the hundredth of a percent and will be recalculated every three fiscal years by using the actual redemption costs for the most recently completed prior three fiscal years in the formula set forth above and such recalculated amount shall be used for the following three fiscal years. The MVW Breakage Rate will be calculated to the tenth of a percent and will be recalculated every three fiscal years based on the relative breakage experience for MVW and the Rewards Program as of the most recently completed fiscal year, and such recalculated amount shall be used for the following three fiscal years.
• All Permitted Uses other than Qualifying Stays and Exchange/Sales Uses	The rate charged to MHR Hotels for Rewards Points issued other than for hotel stays or Rewarding Events (referred to as "Bonus Points") at the time such Rewards Points are issued (such rate, the "Bonus Point Funding Rate").
• Qualifying Stays	The standard chargeout rate for purchasing Rewards Points or Airline Miles charged to MHR Hotels for hotel stays at the time such Rewards Points or Airline Miles are issued.

Schedule 1(e)

Exempted MVW Properties

1. Marriott's StreamSide Birch at Vail, Colorado
2. Marriott's StreamSide Douglas at Vail, Colorado
3. Marriott's StreamSide Evergreen at Vail, Colorado
4. 47 Park Street – Grand Residences by Marriott, London, England
5. Marriott Vacation Club at The Empire Place, Bangkok, Thailand
6. Marriott Vacation Club at The Buckingham, Macau, China

Schedule 3(b)

Cost of Outstanding Unused Certificates

To determine the cost of outstanding Certificates, Marriott values the Certificates expected to be redeemed in the next 13 periods.

A list of hotel certificates issued in the last 13 periods is obtained from IR. An estimated usage is assigned based upon data from the prior 13 periods, to determine the number of certificates expected to be redeemed. After deducting certificates that have already been redeemed, the remaining certificates are valued based upon historical costs from the last 13 periods.

NONCOMPETITION AGREEMENT

Between

MARRIOTT INTERNATIONAL, INC.

And

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Dated as of November 21, 2011

TABLE OF CONTENTS

NONCOMPETITION AGREEMENT

NONCOMPETITION AGREEMENT (this "Agreement"), signed on November 17, 2011 and effective as of November 21, 2011, between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

A. Pursuant to the Separation and Distribution Agreement (the "Distribution Agreement") dated as of November 19, 2011, MII has agreed to distribute to its stockholders all of MVWC's issued and outstanding capital stock (the "Distribution") if the conditions set forth in the Distribution Agreement are satisfied, including, among others, that the parties hereto have entered into this Agreement.

B. Following the Distribution, (i) MVWC will own and conduct, directly and indirectly, the Destination Club Business (as defined herein) and (ii) MII will continue to own and conduct, directly and indirectly, the Hotel Management and Franchising Business (as defined herein).

C. In connection with the Distribution, MVWC will enter into License, Services And Development Agreements with each of MII and The Ritz-Carlton Hotel Company, L.L.C ("Ritz-Carlton"), (the "Marriott License Agreement" with MII and the "Ritz-Carlton License Agreement" with Ritz-Carlton), pursuant to which, among other things, MII and Ritz-Carlton will grant certain licenses to MVWC to use certain intellectual property in the Destination Club Business after the Distribution.

D. In connection with the Distribution, and to permit MII and MVWC to tailor their business strategies to best address market opportunities in their respective industries while maximizing the value of the Marriott and Ritz-Carlton brands and the intellectual property that is the subject of the Marriott License Agreement and the Ritz-Carlton License Agreement (together, the "License Agreements"), MII and MVWC have agreed to the noncompetition covenants set forth in this Agreement. Except as expressly stated in this Agreement and the License Agreements, there are no agreements or understandings between MII and MVWC limiting in any way the extent to which or the means by which each might choose to compete with the other.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms. For the purpose of this Agreement:

"Affiliate" of any Person means a Person that controls, is controlled by, or is under common control with such Person; provided, however, that for purposes of this Agreement, none of the Subsidiaries of MII will be deemed to be an Affiliate of MVWC or any Affiliate of MVWC; and none of the Subsidiaries of MVWC will be deemed to be an Affiliate of MII or any Affiliate of MII. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"Agreement Dispute" means any controversy, dispute or claim that arises out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Compete" means: (i) to conduct or participate or engage in, or bid for or otherwise pursue a business, whether as a principal, sole proprietor, partner, stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity; or (ii) have any debt or equity ownership interest in or actively assist, any Person or business that conducts, participates or engages in, or bids for or otherwise pursues a business, whether as a principal, sole proprietor, partner or stockholder, or agent of, or consultant to or manager for, any Person or in any other capacity.

"Destination Club Business" has the meaning ascribed to it in the License Agreements.

"Destination Club Project" has the meaning ascribed to it in the License Agreements.

"Distribution Date" means the date on which the Distribution occurs.

"Governmental Authority" means any United States or non-United States national, federal, state or local governmental, regulatory or administrative authority, agency or commission or any judicial or arbitral body.

"Hotel Management and Franchising Business" means the business of selling, marketing, managing, operating, licensing or franchising of hotels, resorts or other transient or extended stay lodging facilities, including Condominium Hotels, but does not include the activities included in the term Destination Club Business. For the avoidance of doubt, the mere ownership or leasing of a hotel shall not be deemed to be engaging in the Hotel Management and Franchising Business.

"Law" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of

decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

"Person" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"Subsidiary" of any Person means (a) a corporation, more than fifty percent (50%) of the voting or capital stock of which is, as of the time in question, directly or indirectly owned by such Person or (b) any other partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof or for which such Person, directly or indirectly, has the power to elect or direct the election of more than fifty percent (50%) of the members of the governing body or over which such Person otherwise has control (e.g., as the managing partner of a partnership).

"Transaction Agreements" means this Agreement, the Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement and any other instruments, assignments, documents and agreements executed in connection with the Distribution.

Captitalized terms used but not defined herein shall have the meaning ascribed to them in the Marriott License Agreement.

Section 1.2 Table of Definitions. The following terms have the meanings set forth in the Sections referenced below:

Definition	Location
AAA	Section 5.2
Agreement	Preamble
Dispute Notice	Section 5.1
Distribution	Recitals
Distribution Agreement	Recitals
License Agreements	Recitals
MII	Preamble
Marriott License Agreement	Recitals
MVWC	Preamble
Ritz-Carlton	Recitals
Ritz-Carlton License Agreement	Recitals
Rules	Section 5.3
Term	Section 4.1

ARTICLE II
MII NONCOMPETITION COVENANTS

Section 2.1 Restrictions. Subject to the exclusions, exceptions and limitations expressly set forth in this Agreement, MII agrees that during the Term, MII will not, and it will cause each of its Subsidiaries and Affiliates not to: (i) Compete in the Destination Club Business anywhere in the world; or (ii) license its names or marks (including the Proprietary Marks) to any Person (other than MVWC) for use in the Destination Club Business anywhere in the world.

Section 2.2 Management Exception. Notwithstanding Section 2.1 above, nothing in this Agreement will restrict (i) Ritz-Carlton or its Affiliates from operating and managing Ritz-Carlton branded properties developed, owned, leased or sold by MVWC under on-site resort management contracts (or similar agreements) between MVWC (or its Affiliates) and Ritz-Carlton (or its Affiliates), or (ii) MII or its Affiliates from operating and managing Marriott branded properties developed, owned, leased or sold by MVWC under on-site resort management contracts (or similar agreements) between MVWC (or its Affiliates) and Marriott (or its Affiliates).

Section 2.3 MII Exceptions. Notwithstanding Section 2.1 above, nothing in this Agreement will restrict MII or any of its Subsidiaries or Affiliates from engaging in the following, or as set forth in Sections 2.4 and 2.5:

(i) developing, selling, marketing, owning, leasing, managing or franchising residential units and related facilities that may be included in a rental program for a hotel or resort property or operated as a serviced apartment for transient or extended stay customers;

(ii) engaging in activities that MII is specifically permitted to engage in under Sections 2.3(B), 2.3(C), and 2.5(A) or 5.6 of the Marriott License Agreement and the Ritz-Carlton License Agreement and Section 2.4 below, in accordance with such provisions;

(iii) accepting advance deposits or payments for hotel stays; and (ii) accepting multi-year advance hotel bookings, provided that any such multi-year advance hotel bookings relate to specific, identified hotels and not on a systemwide basis);

(iv) owning, operating, managing, licensing or franchising any businesses or services that are ancillary to the Destination Club Business, such as travel insurance, or amenities at a Destination Club Project, such as country clubs, spas, golf courses, food and beverage outlets, and gift and sundry shops; or

(v) owning equity securities of a publicly-traded Person that Competes in the Destination Club Business, provided that the aggregate holdings of MII, its Subsidiaries and Affiliates of such equity securities in such Person shall not exceed 5% of the outstanding equity securities of such Person.

Section 2.4 Chain Acquisitions

A. MVWC acknowledges that MII and its Affiliates may make hotel chain acquisitions (and subsequent dispositions thereof) that may include an existing branded or unbranded Destination Club Business. The provisions of this Section 2.4 shall apply to any such hotel chain acquisitions in which the number of hotel rooms that are the subject of such acquisition (whether owned, leased, managed or franchised) is greater than the number of Destination Club Units that are the subject of such acquisition (whether owned, leased, managed or franchised) (such an acquisition, a "Hotel Chain Acquisition"). MII shall notify MVWC within five (5) business days following the closing of any such Hotel Chain Acquisition, and MII and MVWC shall use commercially reasonable efforts to negotiate (i) an exchange relationship between the acquired Destination Club Business and the Licensed Destination Club Business, (ii) the affiliation of all or part of any such acquired Destination Club Business with the Licensed Destination Club Business, and/or (iii) the management or purchase by MVWC of all or part of any such acquired Destination Club Business. In the event that the parties are unable to reach agreement on any of the foregoing alternatives within sixty (60) days following the closing of such acquisition, then MII and its Affiliates shall have the right to operate or manage (or engage third parties to operate or manage, under a licensing or franchise agreement or otherwise) such Destination Club Business on a stand-alone basis, but without use of any of the Branded Elements, under a brand name that does not include any of the Licensed Marks, even if the Destination Club Units that are part of such Destination Club Business are co-located with Marriott Hotels; provided, however, that MII and its Affiliates will have the right (and will have the right to permit third parties, under a management, licensing or franchise agreement or otherwise) to (x) market, offer, and sell units in any Destination Club Project that is part of such standalone Destination Club Business at any hotel (including any MII Lodging Facility) acquired as part of such Hotel Chain Acquisition which is adjacent to such Destination Club Project (an "Adjacent Hotel") to any Person, including guests of such Adjacent Hotel, whether or not such guest is a member of any Frequent Traveler Program, (y) place overflow guests of such Adjacent Hotel (including any MII Lodging Facility) in the adjacent Destination Club Project on a transient basis, and (z) offer potential customers of the Destination Club Project stays at such Adjacent Hotel in connection with the marketing and sale of the units of such adjacent Destination Club Project.

B. If the parties are unable to reach agreement on any of the alternatives in Section 2.4.A(i) through (iii) above, MII or its Affiliates may continue to manage or operate (or engage third parties to manage or operate, under a license or franchise agreement or otherwise) existing Destination Club Projects that are co-located with hotels that are rebranded as MII Lodging Facilities as a result of such chain acquisition; provided, however, that any such Destination Club Projects developed after such Hotel Chain Acquisition (excluding projects under development at the time of such Hotel Chain Acquisition) shall not be co-located with any MII Lodging Facilities.

ARTICLE III
MVWC NONCOMPETITION COVENANTS

Section 3.1 Restrictions. Subject to the exclusions, exceptions and limitations expressly set forth in this Agreement, MVWC agrees that during the Term it will not, and it will cause each of its Subsidiaries and Affiliates not to: (i) Compete in the Hotel Management and Franchising Business anywhere in the world; or (ii) license its names or marks to any Persons (other than MII) for use in the Hotel Management and Franchising Business anywhere in the world.

Section 3.2 MVWC Exceptions. Notwithstanding Section 3.1 above, nothing in this Agreement will restrict MVWC or any of its Subsidiaries or Affiliates from: (i) engaging in activities that MVWC is specifically permitted to engage in under Sections 2.5(B) and 9.2 of the Marriott License Agreement and the Ritz-Carlton License Agreement, in accordance with such provisions; (ii) operating hotels as a Marriott franchisee under a franchise agreement with MII; or (iii) owning equity securities of a publicly-traded Person that Competes in the Hotel Management and Franchising Business, provided that the aggregate holdings of MVWC, its Subsidiaries and Affiliates of such equity securities in such Person shall not exceed 5% of the outstanding equity securities of such Person.

3.3 Destination Club Business Chain Acquisitions

A. MII acknowledges that MVWC and its Affiliates may make Destination Club Business acquisitions (and subsequent dispositions thereof) that may include an existing branded or unbranded Hotel Management and Franchising Business, or owned or leased hotels (the "Owned or Leased Hotels"). The provisions of this Section 3.3 shall apply to any such Destination Club Business acquisitions in which the number of Destination Club Units that are the subject of such acquisition (whether owned, leased, managed or franchised) is greater than the number of hotel rooms that are the subject of such acquisition (whether owned, leased, managed or franchised) (such an acquisition, a "Destination Club Business Acquisition"). MVWC shall notify MII within five (5) business days following the closing of any such Destination Club Business acquisition, and MVWC and MII shall use commercially reasonable efforts to negotiate (i) a relationship under which the acquired Hotel Management and Franchising Business and/or the Owned or Leased hotels will affiliate with, and use certain systems that are part of, MII's Hotel Management and Franchising Business and/or (ii) the management or purchase by MII or its Affiliates of all or part of any such acquired Hotel Management and Franchising Business and/or Owned or Leased hotels. In the event that the parties are unable to reach agreement on any of the foregoing alternatives within sixty (60) days following the closing of such acquisition, then MVWC and its Affiliates shall have the right to operate or manage (or engage third parties to operate or manage, under a management, license or franchise agreement or otherwise) such Hotel Management and Franchising Business and/or such Owned or Leased hotels, it being understood that MVWC shall have no right to use the Licensed Marks in connection therewith under the terms of the Marriott License Agreement and the Ritz-Carlton License Agreement. In the event that any such Owned or Leased Hotels are managed at the time of the Destination Club Business Acquisition by a

third party under a contract that MVWC does not have the right to terminate without penalty, then at such time during the Term as such third party manager ceases to manage any such Owned or Leased Hotel, MVWC and MII shall use commercially reasonable efforts to negotiate an agreement under which MII or its Affiliates shall manage such Owner or Leased Hotel. If MVWC and MII are not able to agree on terms for MII or an Affiliate to manage such hotel within 60 days after commencing such negotiations, then MVWC shall have the right to manage or engage a third party to manage such hotel thereafter.

3.4 Hotels Acquired for Conversion to Destination Club Units

MII acknowledges that MVWC and its Affiliates may acquire, lease or otherwise become involved in the management or operation of hotel, resort or other transient or extended stay lodging facilities for the purpose of converting such facilities to Destination Club Projects or Residential Projects ("Conversion Hotels"). MVWC and its Affiliates may engage in the Hotel Management and Franchising Business with respect to such Conversion Hotels during the period between the date of takeover of such Conversion Hotel by MVWC or an Affiliate and the date on which the Conversion Hotel is converted to a Destination Club Project or Residential Project; provided, that (i) if such conversion occurs in a single phase, such period may not exceed 36 months after the date of takeover of such Conversion Hotel by MVWC or an Affiliate and (ii) if such conversion occurs in multiple phases, at least half of the units of such Conversion Hotel must be converted within 36 months after the date of takeover of such Conversion Hotel by MVWC or an Affiliate and the remainder of such units must be converted within 60 months after the date of takeover of such Conversion Hotel; and further provided, that in the case of either (i) or (ii) above, MVWC or an Affiliate shall diligently pursue the conversion of such Conversion Hotel to a Destination Club Project or Residential Project during such period.

ARTICLE IV
TERM

Section 4.1 Term. The term of this Agreement (the "Term") will commence on the Distribution Date and will continue until the earlier of the (i) termination of the Marriott License Agreement and (ii) tenth anniversary of the Distribution Date. This Agreement shall automatically terminate without any action on the part of the parties hereto if the Distribution Agreement is terminated for any reason in accordance with its terms.

ARTICLE V
COOPERATION; DISPUTE RESOLUTION

Section 5.1 Negotiation. If an Agreement Dispute arises, MII or MVWC may send the other party written notice of such Agreement Dispute ("Dispute Notice") and the general counsels and chief financial officers of MII and MVWC and such other executive officer(s) designated by each of MVWC and MII will negotiate for a reasonable period of time to resolve such Agreement Dispute. Unless otherwise agreed by MVWC and MII, if

the Agreement Dispute has not been resolved within thirty days from receipt of such Dispute Notice, the Agreement Dispute will be resolved in accordance with Section 5.2. In the event of any arbitration or litigation in accordance with this ARTICLE V, MII and MVWC may not assert any statute of limitations, laches or similar defenses relating to the date of receipt of the Dispute Notice, if the Dispute Notice was served prior to the expiration of the applicable statute of limitations period and the prosecuting party complies with the applicable contractual time period or deadline under this Agreement.

Section 5.2 Mediation. If, within 30 days after delivery of a Dispute Notice, a negotiated resolution of the Agreement Dispute under Section 5.1 has not been reached, MII and MVWC agree to seek to settle the Agreement MAE Matter by mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures, and to bear equally the costs of the mediation; provided, however, that MII and MVWC will each bear its own costs in connection with such mediation. If the Agreement Dispute has not been resolved through mediation within 90 days after the date of service of the Dispute Notice, or such longer period as the parties may mutually agree in writing, each party will be entitled to refer to the dispute to arbitration in accordance with Section 5.3 below.

Section 5.3 Arbitration. If the Agreement Dispute has not been resolved for any reason within 90 days after the date of service of the Dispute Notice, such Agreement Dispute will be settled, at the request of any relevant party, by arbitration administered by the AAA under its Commercial Arbitration Rules, conducted in Washington, D.C., except as modified herein (the "Rules"). There will be three arbitrators. Each of MII and MVWC will appoint one arbitrator within 20 days after receipt by respondent of a copy of the demand for arbitration. The two party-appointed arbitrators will have 20 days from the appointment of the second arbitrator to agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not timely appointed by the parties under this Section 5.3 will be appointed in accordance with AAA Rule R.11, and in any such procedure, each party will be given a limited number of strikes, excluding strikes for cause. Any controversy concerning whether an Agreement Dispute is able to be arbitrated, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this ARTICLE V will be determined by the arbitrators. MII and MVWC intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators will be final and binding on the parties. MII and MVWC agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any New York State or federal court sitting in the Borough of Manhattan in The City of New York. The arbitrators will be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of The arbitrators shall not, under any circumstances, have any authority to award, indirect, consequential, punitive, exemplary or similar damages, and may not, in any event, make any ruling, finding or award that does not conform to this Section 5.3. Subject to applicable Law, including disclosure or reporting requirements, or the parties' agreement, the parties will maintain the confidentiality of the arbitration. Unless agreed to by all the parties or required by applicable Law, including disclosure or reporting requirements, the arbitrators and the parties will maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

Section 5.4 Treatment of Negotiations and Mediation. Without limiting the provisions of the Rules, unless otherwise agreed in writing or permitted by this Agreement, MII and MVWC will keep confidential all matters relating to this ARTICLE V and any negotiation, mediation, conference, arbitration, or discussion pursuant to this ARTICLE V will be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules; provided, that such matters may be disclosed (a) to the extent reasonably necessary in any proceeding brought to enforce the award or for entry of a judgment upon the award and (b) to the extent otherwise required by applicable Law, including disclosure or reporting requirements. Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions under this ARTICLE V that is not otherwise independently discoverable will be offered or received as evidence or used for impeachment or for any other purpose in any current or future arbitration.

Section 5.5 Consolidation. The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to any of the Transaction Agreements if the subject of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each party and delivered to the other party.

(b) This Agreement, together with the License Agreements, contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

(c) MII and MVWC each represents on behalf of itself that:

(i) it is a corporation duly incorporated or formed, validly existing and in good standing under the Laws of the state or other jurisdiction of its incorporation or formation, and has all material corporate or other similar powers required to carry on its business as currently conducted;

(ii) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby;

(iii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of such Person enforceable in accordance with the terms hereof;

(iv) it has carefully considered the provisions of this Agreement and agrees that the restrictions set forth herein are fair and reasonable, are required for protection of the legitimate interests of the other party hereto and are a material and necessary part of the transactions contemplated in connection with the Distribution, and it further agrees that the restrictions are reasonable in scope, area and time, and will not prevent it from pursuing other non-competitive business ventures or otherwise cause a financial hardship to it; and

(v) it agrees that it is receiving good and valuable consideration for entering into this Agreement, which consideration includes, among other things, the receipt of consideration pursuant to the terms of the Distribution Agreement, and acknowledges that the other party has relied upon the covenants contained in this Agreement and that such covenants are conditions to, and a material part of, the willingness of such other party to consummate the transactions contemplated by the Distribution Agreement.

Section 6.2 Governing Law. This Agreement, except as otherwise expressly provided herein, will be governed by and construed and interpreted in accordance with the laws of the State of New York, irrespective of the choice of laws principles of the State of New York, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

Section 6.3 Jurisdiction. The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby will be brought in any state or federal court sitting in the State of New York, so long as one of such courts has subject matter jurisdiction over such suit, action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 6.7 will be deemed effective service of process on such party.

Section 6.4 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN

ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.5 Assignment. This Agreement may not be assigned or transferred, in whole or in part, without the prior written consent of the other party. Any such assignment or transfer without consent will be void. Notwithstanding the foregoing, (i) MII may assign this Agreement to the extent that an assignment is effectuated through a merger, consolidation, acquisition of all or substantially all of the assets of MII, or any direct or indirect change of control of MII and (ii) MVWC may assign this Agreement to the extent that an assignment is effectuated through a merger, consolidation, acquisition of all or substantially all of the assets of MVWC, or any direct or indirect change of control of MVWC. This Agreement will be binding on and inure to the benefit of each of the parties hereto, their successors and permitted assigns, provided that the terms of this Section 6.5 are complied with.

Section 6.6 Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the parties and are not intended to confer any right or remedies hereunder upon any Person except the parties hereto. There are no third party beneficiaries of this Agreement and this Agreement will not provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 6.7 Notices. All notices and other communications hereunder must be in writing and will be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile, upon written confirmation of receipt by facsimile, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder must be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice

(i) if to MII or any Affiliate of MII, to:

Marriott International, Inc.
10400 Fernwood Road
Bethesda, MD 20817
Attention: Chief Financial Officer
Dept. 52/924.11
Facsimile: (301) 380-5067

with a copy (which will not constitute notice) to the same address:

Attention: General Counsel
Dept. 52/923
Facsimile: (301) 380-6727

(ii) if to MVWC or any Affiliate of MVWC, to:

Marriott Vacations Worldwide Corporation
6649 Westwood Blvd
Orlando, FL 32821
Attention: President and Chief Executive Officer
Facsimile: (407) 206-6037

with a copy (which will not constitute notice) to the same address:

Attention: General Counsel
Facsimile: (407) 513-6680

Section 6.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

Section 6.9 Headings. The Article, Section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

Section 6.10 Waivers of Default. Waiver by any party of any default by any party of any provision of this Agreement will not be deemed a waiver by the waiving party of any subsequent or other default, nor will it prejudice the rights of any other party.

Section 6.11 Amendments. No provisions of this Agreement will be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by an authorized representative of the party against whom such waiver, amendment, supplement or modification is sought to be enforced.

Section 6.12 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the party that is or is to be thereby aggrieved will have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 6.13 Interpretation. In this agreement, words in the singular are deemed to include the plural and vice versa and words of one gender are deemed to include the other gender as the context requires. The terms “hereof,” “herein,” “hereby,” “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement taken as a whole and not to any particular provision of this Agreement. Article and Section references are to the Articles and Sections of this Agreement unless otherwise specified. The table of contents and headings contained in this Agreement are for convenience of reference purposes only and do not affect in any way the meaning or interpretation of this Agreement. The word “including” and words of similar import when used in this Agreement means “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” is not exclusive.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement, and in the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Noncompetition Agreement to be executed by their duly authorized representatives.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Carl T. Berquist
Name: Carl T. Berquist
Title: Executive Vice President and Chief Financial Officer

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Stephen P. Weisz
Name: Stephen P. Weisz
Title: President and Chief Executive Officer

[Signature Page to Noncompetition Agreement]

Exhibit 10.7

OMNIBUS TRANSITION SERVICES AGREEMENT

This OMNIBUS TRANSITION SERVICES AGREEMENT (this "Agreement"), signed on November 17, 2011 and effective as of November 21, 2011 (this "Agreement"), by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of November 19, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing on the Closing Date and continuing until the second anniversary of the Closing Date (the "Transition Period")(unless a different period is specified for a particular service on the applicable exhibit attached hereto (each, a "Services Exhibit"), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described in the Services Exhibits hereto (the "Transition Services"). Such services shall be provided at the charges described in the Services Exhibits and in accordance with Section 3 below. MVWC may cancel any Transition Services upon not less than one hundred twenty (120) days' prior written notice of cancellation to MII, unless a different period is provided for in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes for its business conducted under brands licensed from MII and its Affiliates, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by MVW or its Affiliates under brands licensed from MII and its Affiliates shall not be considered a third party for purposes of this Section 1).

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Billing and Payment.

A. Payments. MVWC will pay the costs set forth in the Services Exhibits for the Transition Services provided pursuant to Section 1 of this Agreement during the Transition Period. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Services Exhibits; provided, that all such allocations to MVW shall be made on a fair and reasonable basis, and MVW acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related Transition Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and MVWC shall pay MII at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to enable MII to make such payments, and MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

B. Termination-Related Services and Payments. In connection with the termination or cancellation of the provision of any Transition Services hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC and its Affiliates or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a Services Exhibit, with

respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination or cancellation of the Transition Services or this Agreement, as the case may be, occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination or cancellation of the Transition Services or of this Agreement, as the case may be, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVW shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC), in each case as may be described in more detail in the Services Exhibits.

4. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services, as applicable, consistent with past practice. MVWC will give MI and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of MVWC and its Affiliates and their respective personnel for the purposes of providing the Transition Services.

5. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors (provided, that such obligation of MII to pay such subcontractors shall not alter the amount MII is entitled to receive from MVWC for Transition Services hereunder).

6. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its Affiliates, as applicable, except for taxes based on net income of Parent or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

7. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

8. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

9. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

10. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated on the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 1 and (c) the date on which this Agreement is terminated pursuant

to Section 11. Sections 3, 6, 7, 8, 9, 12, 13 and 17 shall survive any termination of this Agreement or cancellation of any Transition Services hereunder.

11. Breach of Agreement. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of 10 Business Days following such party's receipt of written notice of such failure,. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. Without limiting the foregoing, a payment or other breach by MVWC with respect to one or more Transition Services shall give MII the right to suspend such Transition Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

12. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII, MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MII agrees to indemnify, defend and hold harmless MVWC and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of MII. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (b) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED

TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(d) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(e) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

13. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

14. Modification of Procedures. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(a) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(b) MII changes such practices and procedures for its own business units at the same time; and

(c) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed to have accepted such change. In the event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable

expenses resulting to MII's need to maintain difference versions of the same systems, procedures, technologies, or services or resulting from requirements of their party vendors.

15. Compliance Audits. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Transition Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits.

16. Audit Rights. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for the Transition Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 16.

17. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 17 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.3 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first set forth above.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Kevin M. Kimball
Name: Kevin M. Kimball
Title: Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Ralph Lee Cunningham
Name: Ralph Lee Cunningham
Title: Executive Vice President

Services Exhibits

Contents:

Marriott Business Services (MBS)

1. Purchasing Card Processing and Administration. MII will:
   - Provide access to Paymentnet application to MVWC users to monitor, review and approve PCard transactions, as well as provide access to run reports in Paymentnet.
   - Provide direct reimbursement to JP Morgan for purchasing card transactions from an MVWC disbursement bank account.
   - Administer a purchasing card program to MVWC associates for business expenses, including issuing cards with appropriate controls, including MCC blocking and card limits
   - Provide a financial rebate on a quarterly basis to MVWC related to their volume as based on JP Morgan calculations.
   - Provide access to Quickbase application or manual form equivalent to validate PCard holder rights and limits, as well as other supporting information.

2. Fixed Assets Services and System Support.
   - *Activity 1: Fixed Assets Processing.*
     - Transaction processing to maintain subsidiary fixed asset registers in MI systems (FAS and PSAM).
     - Tax Book maintenance for MVWC domestic fixed assets.
     - Corporate and Local Book maintenance for MVWC international assets.
     - Provide journal entry detail as required; MVWC to post to MVGL
     - Provide Fixed Asset Registers via OnDemand reporting or other as required.
     - MI labor costs for above expected to approximate 2 full-time equivalents; adjusted as dictated by business requirements.
     - Annual ongoing cost for fully-loaded FTEs including MBS overhead and governance expected to be approximately $160K/year.
   - *Activity 2: Application Support and Systems Costs*
     - Annual estimated total costs for the categories below are:

Annual Estimate

IRAS Labor	$143,100
IR Service Fee & Other IR	$ 46,500
Ideal License	$260,000
Mainframe EDP	$345,100

OnDemand	$ 24,300
Infor Maintenance Contract	$ 47,500
CSG/FIN	$ 116,000
Total	$ 982,500

- Ongoing Application Support and System costs will be apportioned between the parties using total assets as metric, subject to change as described in “General” section below:
  - Annual estimate: MVWC assets 19,189 (19%), MII assets 83,022 (81%) = $186,675 MVW

- *General: Provisions applicable to Activity 1 and 2.*
  - Term to commence at the spin date and expire after period 13, 2012 (activities to provide year-end 2012 data included).
  - Ad hoc transitional or separation accounting and consulting services may be provided by MII at a mutually agreed-upon cost.
  - Amounts are estimates and intended to reflect actual MBS accounting labor costs and 19% of MII application support and system costs, and are subject to change as dictated by business requirements. Methodology is subject to review in the event of material change in system requirements, support costs, relevant metrics or accounting method.

3. Comprehensive Accounts Payable Services.

- *Activity 1: Vendor maintenance and compliance.* MII will:
  - Provide MVWC vendor setup and maintenance in PeopleSoft Accounts Payable, including tax ID and vendor banking maintenance.
  - Provide MVWC vendor support through a support call center consistent with MII-defined business hours
  - Set terms the same as with MII vendors (standard terms are currently 45 days for suppliers).
- *Activity 2: Invoice processing and payments.* MII will:
  - Provide PeopleSoft AP system access to MVWC users to enter in invoice payments for processing.
  - Produce and distribute AP payments via check, ACH or other electronic payment methods funded from an MVWC disbursement account. Exception includes properties using Bottomline technology; these properties will print their own checks onsite using a local printer.
  - Provide client support through a support call center consistent with MII-defined business hours.
  - Leverage ATCAT application to identify and reduce duplicate payments as well as process returned checks.
  - Provide payment administration for outstanding payments such as stop and reissue payment processing.
  - Image invoices and provide access to imaged invoices to MVWC users as long as MII offers the imaging functionality.
  - Provide support and system maintenance to PeopleSoft AP system.

- Provide supply chain accounts payable services to MVWC Development Group (contract purchasing, purchasing including purchase order and item maintenance, project administration, project reporting).
- Provide access to queries and reporting for accounts payable activity.
- Send and receive positive pay files for payment sent to Citibank account.
- Provide limited services from the Luton Shared Services Centre for technical support.

- *Activity 3: Accounts Payable Compliance.* MII will:
  - Produce and submit state filing for all 50 US states related to unclaimed property.
  - Produce and submit 1099 filing for US payments.
  - Produce and submit 1042S filing for US payments made to foreign MVWC owners.
  - Administer approval authority in PeopleSoft AP for MVWC users.
  - Provide application to MVWC vendors to access their own information in PeopleSoft (ESupplier).
  - Account reconciliation services for AP related balance sheet accounts.
- *MVWC's Costs for Activity 1, 2 and 3.*
  - Costs before the Spinoff are:
    - $1.22 per distribution line on an invoice.
    - Express payments are $7.27 per distribution line.
    - The AP System Usage Fee is $.48 per distribution line.
    - The rate for properties using these services outside the US is $1.51 per distribution line.
  - Costs after the Spinoff will be based on the current rate methodology in line with projected budget for that service year. Incremental to this rate will be the cost of additional FTEs for accounting services.

4. Comprehensive Travel Card and Expense Report Processing and Administration. MII will:
   - Provide access to Carlson Wagonlit tools to book travel.
   - Provide access to IBM GERS system (MarrExpress) to process travel expense reports.
   - Provide direct reimbursement to JP Morgan for Corporate Travel Card transactions processed through MarrExpress using an MVWC disbursement bank account.
   - Provide direct reimbursement to the associate for reimbursable items to the associate processed through MarrExpress using an MVWC disbursement bank account.
   - Administer a corporate travel card program to MVWC associates for business expenses.
   - Provide a financial rebate to MVWC related to their volume as based on JP Morgan calculations.
   - Provide limited audit procedures, including selecting samples of expense reports to ensure receipts are provided for all expense items that require a receipt.
   - Provide card services for all MVWC associates who have a Corporate Card.
   - Costs to MVWC before the Spinoff are $3.09 per distribution line on an invoice.
   - Costs to MVWC after the Spinoff will be based on the current rate methodology in line with projected budget for that service year.

5. Sales/Use Tax Services

- *Activity 1: Filing sales/use tax returns.* MII will timely file and pay sales/use taxes related to MVWC administrative units by statutory due dates. (NOTE: If MBS does not have access and training for new MVWC ledger, MBS may not be able to provide this service.)
- *Activity 2: Filing tangible personal property tax returns.* MII will timely file tangible personal property tax returns for MVWC resorts by statutory due dates. MVWC will provide asset listings as of January 1 each year, including additions and dispositions.
- *Activity 3: Payment of TPP tax bills.* MII will timely pay tax bills by statutory due dates.
- *Activity 4: Coordinating tax audits related to filed returns.* MII will respond to requests from tax authorities to review records related to tax return filings, in timeframe prescribe by tax authority. MVWC will provide additional records as required by the tax authorities.
- *Activity 5: Performing Tax Research.* MII will perform ad hoc tax law research at the request of MVWC Tax, based on information provided by MVWC.
- Property tax costs are anticipated to be similar to prior year costs, provided the number of units does not materially change. Costs for sales tax will include a cost per location for filed returns (currently 31 locations), as well as an overhead cost not previously charged to MVWC for ad hoc research. The total sales tax cost for the first year is estimated to be $78,000, but could change based on projected budget.

6. Bundling of Services for Cancellation Purposes.

- Section 1 of the Omnibus Transition Services Agreement provides as follows:

  The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately.

- MII and MVWC hereby agree that the Transition Services outlined in this Exhibit titled “Marriott Business Services (MBS)” shall be bundled as follows:
  - Bundle #1: The Transition Services set forth above in Category 1 above titled “Purchasing Card Processing and Administration,” Category 3 above titled “Comprehensive Accounts Payable Services,” and Category 4 above titled “Comprehensive Travel Card and Expense Report Processing and Administration.”
  - Bundle #2: The Transition Services set forth above in Category 2 above titled “Fixed Assets Services and System Support.”
  - Bundle #3: The Transition Services set forth above in Category 5 above titled “Sales/Use Tax Services.”
- For example, MVWC may cancel the Transition Services in Bundle #1 without cancelling the Transition Services in Bundle #2 or Bundle #3.
- For another example, if MVWC desires to cancel the Transition Services in Category 1 above titled “Purchasing Card Processing and Administration,” then MVWC must also simultaneously

cancel the Transition Services in Category 3 above titled “Comprehensive Accounts Payable Services,” and Category 4 above titled “Comprehensive Travel Card and Expense Report Processing and Administration.”

7. Financial Application Configuration Support.

- *Activity 1:* Configuration items such as PeopleSoft General Ledger Business Units, ChartFields, Combination Edits, etc. will continue to be maintained by MII representatives (FIM team). This is required for MVWC to utilize the MII non-general ledger financial applications within the FIN 8.8 shared environment. MII representatives (FR&A Team) will review MVWC account configuration requests (i.e. all business unit and chartfield additions/changes/deletions to accounts in Marriott’s shared environment) as needed and make determination to ensure no adverse impact to Marriott’s ability to record and report. MII actual hours of support will be billed $88k/year assuming 80 hours/pd and standard FIM billing rates. Billing for FIM support will start in January 2012, FR&A: $77/per account configuration request.

8. Consulting Services for MVWC Financial Applications.

- *Activity 1:* MII (FIM) to provide business consulting services as needed to MVCI related to their financial applications (e.g., general ledger). MII (FIM) shall make available up to twenty (20) hours per period of such consulting services. The cost is estimated to be $28,600 per year, based on MVWC’s use of twenty (20) hours per period. Actual consulting hours will be billed at standard FIM billing rates. This time will be charged to MVWC via OFB’s periodic billing process. MVWC will utilize MII FIM’s existing process for submitting requests. These requests will be prioritized with all requests and worked on in the prioritized order. MII (FIM) will identify a lead point of contact for escalation.
- *Activity 2:* MII (IR) shall make available up to twenty-four (24) hours per period of technical consulting services as needed to MVWC related to their financial applications (e.g., MVGL). The cost is estimated to be $44,616 annually, based on MVWC’s use of twenty-four (24) hours per period. Actual consulting hours will be billed at standard IR billing rates. This time will be charged to MVWC via OFB’s periodic billing process. MVWC will utilize MII IR Finance Systems existing process for submitting requests. These requests will be prioritized with all requests and worked on in the prioritized order. MII IR Finance Systems will identify a lead point of contact for escalation.

9. IT2 Treasury Workstation.

- *Activity 1:* MII IR to provide consulting support/advice for MVWC’s own instance of IT2 Treasury Workstation (8 hours/pd). Anticipated costs for these services: $10,400/yr ongoing (based upon 8 hrs/pd). Actual hours will be billed via OFB based on standard IR billing rates. MVWC will contact Denise Hughes for service.

10. Term. MI and MVWC hereby agree that the Transition Period for the Transition Services outlined in this Exhibit titled “Marriott Business Services (MBS)” shall commence on the Closing Date and continue until December 31, 2013, including any activities necessary to provide year- end 2013 data (e.g. filing 1099 forms).

GOLF SERVICES

1. Provision of Golf Services. Beginning on the Closing Date and continuing thereafter until the end of the 2012 fiscal year of Marriott Vacations Worldwide Corporation ("MVWC"), unless terminated as provided in Section 2 below, Marriott International, Inc. ("MII") shall provide the services described in Section 3 below (collectively, the "Golf Services") to all golf course properties (each a "Golf Property") owned or managed by MVWC or any MVWC Affiliate.

For avoidance of doubt, as of the Closing Date the Golf Properties are as follows:

- Grande Pines Golf Club (*Orlando, Florida*)
- Grande Vista Golf Club and the Faldo Golf Institute by Marriott (*Orlando, Florida*)
- Kauai Lagoons Golf Club (*Lihue, Hawaii*)
- Shadow Ridge Golf Club and the Faldo Golf Institute by Marriott (*Palm Desert, California*)
- Son Antem Golf Club (*Mallorca, Spain*)
- The Abaco Club on Winding Bay (*Abaco, Bahamas*)
- The Ritz-Carlton Golf Club & Spa (*Jupiter, Florida*)

Unless otherwise provided in this Schedule, MII's provision of the Golf Services shall be consistent with practices, procedures and levels of service, including the frequency, quality and duration of service, in effect immediately prior to the Closing Date.

2. Addition and Deletion of Golf Properties.

a. Addition of Golf Properties. MII and MVWC acknowledge and agree that MVWC or its Affiliates may from time to time acquire, develop or be engaged to manage one or more additional golf properties. Upon at least thirty (30) days prior written notice to MII from MVWC, any such additional golf property shall become a Golf Property without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. MII shall provide the Golf Services to the new Golf Property in accordance with the terms of this Schedule. Golf Services Fees will be $27,230 per year for each additional Golf Property added plus reimbursement of reasonable travel expenses pursuant to Section 4.b below.

b. Deletion of Golf Properties. MII and MVWC acknowledge and agree that MVWC may from time to time terminate MII's provision of Golf Services to a Golf Property. Upon at least sixty (60) days prior written notice to MII, MVWC may remove a Golf Property from the terms of this Schedule and terminate MII's provision of Golf Services to such Golf Property. Any such termination shall not affect the provision of Golf Services to the remaining Golf Properties, and such termination shall be effective without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. Any fees for provision of the Golf Services to such Golf Property which are accrued and unpaid as of the date of termination (the "Termination Date") shall be due and payable to MII within thirty (30) days after the date on which the Golf Property ceases to receive Golf Services. Beginning

on the Termination Date, the annual Golf Services Fee will be reduced by the remaining annual Golf Services Fee for the exiting Golf Property.

3. Description of Golf Services. MII shall provide the Golf Services generally described below to each Golf Property:

a. Brand Standards. MII will make available and communicate applicable brand standards for golf operations by interfacing with MVWC corporate and Golf Property leadership, for three categories of standards:

- Operational standards (for example, golf services offered to guests, cleanliness, recommendations for staffing, associate compensation and benefits, retail merchandising, guest recognition programs and other similar programs, etc.).
    - Golf Grounds Operations
    - Golf Shop Operations
    - Retail Merchandising
    - Outside Service Operations
    - Instructional Programming
    - Tournament Operations
- Physical standards of the golf course (for example, course design, course conditioning level, quality of the golf facilities, FF&E, and fixed asset supplies, frequency of FF&E replacements, etc.).
- Technology standards (for example, those relating to software, hardware, telecommunications, systems security and information technology).

b. Financial Review. MII shall provide the following services related to the Golf Property's financial performance and budgeting:

- As requested, support the annual golf budget development process by reviewing draft projections and making recommendations to MVWC corporate executives and Golf Property managers.
- For new projects or renovations, support MVWC development with the golf proforma process which includes providing guidance on projections of golf rounds and revenue from multiple user groups (MVWC owners, resort, residents, members, and outside play). Provide on-going guidance and recommendations as requested throughout the course of the project.
- Provide recommendations for fixed asset schedules and inventory controls.
- Provide semi-annual industry benchmark performance data based on available data.

c. Human Capital Readiness.

- Include Golf Properties in recruiting programs that benefit the Marriott and Ritz-Carlton (as appropriate) portfolios.

- Assist with reviewing job descriptions, as requested, for management, supervisory personnel and other key personnel.
- Assist with the identification and interview of management employees, as requested by MVWC; *provided*, however, that final hiring decisions shall be made solely by MVWC. Reimbursement of reasonable travel expenses may apply.
- Coordinate with MVWC's Human Resources department, as requested by MVWC, to provide information regarding golf industry standard employee benefits, insurance, and compensation plans; *provided*, however, that final determinations regarding such benefits and plans shall be made solely by MVWC.
- MII and MVWC acknowledge and agree that day-to-day supervision, evaluation, promotion, termination other employment related functions regarding individuals working at the Golf Properties shall be conducted solely by MVWC.

d. Training. MII will transfer information and knowledge of golf club operations and marketing to MVWC and Golf Property personnel through formal and informal means.

- Conduct training seminars with MVWC leadership and Golf Property personnel, as reasonably requested, about golf clubs and the key elements of their success.
- Offer attendance at MII's corporate sponsored training seminars, including any proprietary training program as scheduled by MII at its regional locations in the United States, to senior Golf Property staff.

e. Marriott Programs & Processes. Make available to and facilitate for the benefit of the Golf Property programs that are implemented throughout the Marriott or Ritz-Carlton (as appropriate) portfolio. Current examples (which are subject to change) of such programs are:

- *Marketing*: Marriott Golf Links, Global Getaways, Marriott Golf Reciprocal Membership Program, Community Footprint Initiatives, National Golf Foundation customer survey program, tee time reservation system, websites, golfer satisfaction survey, industry financial benchmarking, newsletters, sweepstakes, and promotions. Certain marketing programs are optional at the discretion of each Golf Property, and fees may apply.
- *Procurement*: to the extent permitted and/or possible, make available preferred vendor discount programs and vendor rebates, that are in place at other Marriott or Ritz-Carlton golf locations.
- Environmental programs / "green" initiatives

g. Golf Course / Clubhouse Design, Construction, and Renovation Projects. MII will make the following services available to MVWC and its Affiliates for an additional fee:

- Review plans and specifications for the construction in co-ordination with MVWC A&C and Golf Course / Clubhouse Architects

- Review the master plan for the construction of the full development to ensure that all phases are coordinated and that MVWC's opening targets are met.
- Assist in the review and selection of the golf course / clubhouse contractors.
- Assist with developing a pre-opening budget estimate to include all expenses incurred during the time period from the start of grassing to the property opening.
- Provide guidelines for staffing levels, and make recommendations for leased maintenance equipment, purchased maintenance equipment, operating supplies, systems, marketing, and working capital.
- Review MVWC's budget forecasts and advise on any changes necessary.
- Advise on layout and operational procedures for the golf facility.
- Review plans and proposals through the design phase.
- Provide program/space parameters for all golf buildings.
- Provide Golf Design Standards Guide to MVWC for planning purposes.
- Review construction cost forecasts through the design phase in relation to the projects financial targets.
- Assist in establishing ground maintenance budgets.
- Help finalize orders for maintenance equipment.
- Review plans and scheduling of final FF&E procurement.

In the event MVWC desires to obtain any of the services described in this Section 3.g., MII and MVWC (or their respective Affiliates, as appropriate) will enter into a technical services agreement to document such services, the applicable fees, and the other applicable terms and conditions.

4. Fees and Expenses.

a. Golf Services Fee. The annual fee ("Golf Services Fee") payable by MVWC to MII for the Golf Services provided to the seven Golf Properties reflected in Section 1 shall be equal to a total of $190,610 annually ($27,230 per Golf Property). The Golf Services Fee shall be payable to MII in equal periodic (13 periods per year) installments, in arrears, within fifteen (15) days after the end of each period.

b. Travel Expenses. MII's reasonable actual travel expenses to Golf Properties outside of the United States in connection with MII's provision of the Golf Services will be reimbursed by MVWC. Such travel expenses shall be subject to MVWC's prior written approval, and will be reimbursed within thirty (30) days after MVWC's receipt from MII of invoices detailing such actual travel expenses.

FALDO GOLF INSTITUTE MARKETING SERVICES

1. Provision of Services. Beginning on the Closing Date and continuing thereafter until the end of the 2012 fiscal year of Marriott Vacations Worldwide Corporation ("MVWC"), unless terminated as provided in Section 2 below, Marriott International, Inc. ("MII") shall provide the services described in Section 3 below (collectively, the "FGI Services") to the Faldo

Golf Institute locations (the "FGl Properties") owned and/or operated by MVWC or any MVWC Affiliate.

For avoidance of doubt, as of the Closing Date the FGI Properties are as follows:

- Grande Vista Golf Club and the Faldo Golf Institute by Marriott (*Orlando, Florida*)
- Shadow Ridge Golf Club and the Faldo Golf Institute by Marriott (*Palm Desert, California*)

Unless otherwise provided in this Schedule, MII's provision of the FGI Services shall be consistent with practices, procedures and levels of service, including the frequency, quality and duration of service, in effect immediately prior to the Closing Date.

2. Addition of FGI Properties.

a. Addition of FGI Properties. MII and MVWC acknowledge and agree that MVWC or its Affiliates may from time to time acquire, develop, license or be engaged to manage one or more additional FGI Properties. Upon at least thirty (30) days prior written notice to MII from MVWC, any such additional FGI Property shall become subject to this Schedule without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule. MII shall provide the FGI Services to the new FGI Property in accordance with the terms of this Schedule.

b. Deletion of FGI Properties. MII and MVWC acknowledge and agree that MVWC may from time to time terminate MII's provision of FGI Services to an FGI Property. Upon at least sixty (60) days prior written notice to MII, MVWC may remove an FGI Property from the terms of this Schedule and terminate MII's provision of FGI Services to such FGI Property. Any such termination shall not affect the provision of FGI Services to the remaining FGI Properties, and such termination shall be effective without any requirement for further action on behalf of either party, including but not limited to amendment of this Schedule.

3. Description of FGI Services. MII shall provide the FGI Services generally described below to each FGI Property:

- Develop and implement the national golf advertising plan based on the approved budget provided by MVWC. Oversee the implementation of the agreed to marketing activities for the Faldo Golf Institute, including but not limited to the marketing services described above under "Golf Services."
- Provide recommendations for contract negotiations with Sir Nick Faldo.
- Review and make recommendations, as requested, on instructional curriculum.

4. Fees. In consideration of MII's provision of the FGI Services to the FGI Properties, MVWC shall pay to MII an annual fee (the "FGI Fee") equal to ten percent (10%) of the annual national marketing budget for FGI Properties, which budget shall be determined by MVWC in its sole discretion. The FGI Fee shall be payable in equal periodic (13 periods per

year) installments, in arrears, within fifteen (15) days after the end of each period. The budget, and the corresponding FGI Fee, shall be adjusted as necessary to reflect any addition or deletion of FGI Properties as contemplated by Section 2 above.

Tax Services for Fixed Assets

1. Tax Fixed Assets Calculation and Maintenance of Tax Depreciation and Amortization.

- MII will calculate tax depreciation, amortization and asset gain/(loss) detail adequate to complete MVWC's 2011 year-end tax provisions for certain fixed assets of MVWC through the end of Fiscal Year 2011.
- Completion of MVWC's 2011 IRS Forms 4562, 4626 and 4797 for short period (date after Spin-Off through the end of the 2011 Fiscal Year), including calculation of tax depreciation, amortization and gain/(loss) on dispositions.
- Completion of tax fixed asset system database as of January 1, 2012 in a manner that properly reflects the tax basis and tax depreciable lives in MVWC assets, including adjustments required as a result of the Spin-Off and related to pre-transactional restructuring.
- Tax consulting services relating, among other things, to migration and establishment of MVWC's tax fixed asset systems and M-1 related items for capitalized interest deductions.
- MVWC will pay the costs related to the tax consulting services including the costs of the salary and benefits of a Senior Manager (MRP $104,350) to perform this work, which is estimated to take 35-40 hours.

Risk Management Services

1. Shared Safety and Security Services between MII-Operated Hotels and MVWC-Operated Resorts. These shared services, including property tours and emergency response, will continue to be provided pursuant to the terms and conditions of the existing agreements. If a vehicle is owned by MII, MII's insurance will be primary and MII will defend and indemnify MVWC. If a vehicle is owned by MVWC, MVWC's insurance will be primary and MVWC will defend and indemnify MII and each party waives its and its insurer's rights of recovery and subrogation with respect to any third party liability and/or workers compensation claims.

2. Historic Casualty Insurance Loss Data Runs for MVWC Operations. In June of 2012 and June of 2013, MVWC will request from MII a 5-year casualty insurance loss run (Workers' Compensation, General/Auto Liability, Employment Practices) valued as of June 30, 2012 and June 30, 2013, respectively. By July 31, 2012 and July 31, 2013 (or other dates mutually agreed upon), MII will provide such loss data in Excel format or similar electronic format at a cost of $100 per each hour of time spent by MII to prepare the report (currently estimated to take 10 hours of work for each report). The loss run will be used by MVWC to support annual insurance program renewal processes and will include the following information:

- State
- Claim Number
- Claim Description (brief)
- Location (unit number)
- Date of Loss
- Type of Loss
- Incurred Loss Value
- Paid Loss Value
- Status
- Closed Date (if closed)
- Recovery (if any)

3. Emergency Response Services outside the Americas from Global Safety & Security. These services will be provided only if requested by MVWC in a particular instance and only if MII resources can be effectively deployed in such instance. In each instance, MII and MVWC will enter into a services agreement in a mutually agreed upon form. In instances where the parties are unable to enter into an agreement due to the immediacy of the needs in an emergency situation, the parties agree that MVWC shall pay all reasonable expenses incurred by MII at the direction of MVWC in responding to such requests for assistance and the following charges for personnel:

- $150 per hour or $1200 per day for the Vice President of International Global Safety & Security
- $125 per hour or $1000 per day for Area Director

Exhibit 10.8

PAYROLL SERVICES AGREEMENT

by and between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

effective

November 19, 2011

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PAYROLL SERVICES AGREEMENT

This PAYROLL SERVICES AGREEMENT (this "Agreement"), together with the Exhibits attached hereto and made a part hereof (each "Exhibit" or, together, the "Exhibits"), is made and entered into on November 17, 2011 (the "Agreement Date"), effective November 19, 2011, by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

R E C I T A L S

WHEREAS, pursuant to that certain Separation and Distribution Agreement, effective on November 19, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII and its Affiliates (as defined in the Separation Agreement) (collectively, "Service Provider") shall provide MVWC and its Affiliates (collectively, "Client") with certain services on a temporary basis after the Closing, including employee payroll and payroll-related services;

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Client and Service Provider agree as follows:

Section 1 — Definition of Terms

As used in this Agreement, the following capitalized terms shall have the meanings set forth herein:

(a) "Client Information" shall be all Client data and information entered into or held by Marriott for purposes of entry into the Marrpay® Software, or generated by the Marrpay® Software.

(b) "Default" shall have the meaning specified in Section 9.

(c) "LMS" shall mean the labor management scheduling application that interfaces with Marrpay® for processing of time and attendance records, as such application may be updated or replaced by Service Provider from time to time.

(d) "Marrpay On-Line Service®" shall mean those mainframe-computer-based features of the Marrpay® Software which permit remote entry and retrieval of information. It includes, among other things, information retrieval, file maintenance, time data entry processes and Report Writer functionality.

(e) "Marrpay® Software" shall mean the mainframe-computer-based software system which performs payroll and employee services processing in order to, among other things, issue payroll payments, payroll registers, Forms W-2, and information reports.

(f) "MBS" shall mean the Marriott Business Services department of Marriott International, Inc.

(g) "Services" shall mean the services as described in Section 2 below and in Exhibits A, B and C to be provided by Service Provider to Client in any Client location within the United States including the U.S. Virgin Islands.

(h) "Software Products" shall mean all the proprietary software, including but not limited to Marrpay® Software, On-Demand and LMS, owned and developed or procured by Service Provider, including any Third-Party Software relating thereto, and any and all materials, procedures, manuals and other documentation to be utilized for the provision of the Services.

(i) "Weeks Reported for Pay" shall mean each instance in which an employee has time data reported for payroll payment as tracked and reported by Marrpay®.

Section 2 —Services

During the term of this Agreement as defined in Section 4, Service Provider shall provide to Client the following Services:

(a) the software products and related rights, access and services including but not limited to the rights, access and services identified in Exhibit A (the "Software Services");

(b) payroll and payroll-related services (the "Payroll Services") which shall include but are not limited to the services identified in Exhibit B (collectively with the Software Services, the "Non-Termination Services"); and

(c) services provided in connection with the termination or cancellation of the provision of any Non-Termination Services (the "Termination Services"), which include but are not limited to the services specifically identified in Exhibit C.

Client may use the Services for its own internal business purposes for its business conducted under brands licensed from Service Provider, consistent with the terms of the underlying agreement between Service Provider and the applicable product/service vendor, and may not

resell the Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by Client under brands licensed from Service Provider shall not be considered a third party for purposes of this Section 2).

Section 3 — Billing and Payment

3.1 **Non-Termination Services.** Client will pay the costs set forth in Exhibit D for the Non-Termination Services performed pursuant to this Agreement. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Exhibits; provided, that all such allocations to Client shall be made on a fair and reasonable basis, and Client acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; provided further, that if a portion of the costs for any Non-Termination Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the period during which the Non-Termination Services are provided, Client shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the period during which the Non-Termination Services are provided under this Agreement, then Service Provider and Client shall discuss and agree on a reasonable allocation of such costs to Client taking into consideration the remaining term of the provision of the related Non-Termination Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. Service Provider shall bill Client for the Non-Termination Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and Client shall pay Service Provider at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Exhibit D, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by Service Provider to third parties (or Client employees) on behalf of Client will be drawn by Service Provider directly from Client bank accounts which Client shall keep funded with sufficient amounts to enable Service Provider to make such payments, and Service Provider shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by Client to Service Provider when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. Service Provider shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

3.2 **Termination Services.** Client will pay the costs set forth in paragraph 4 of Exhibit D for the Termination Services.

3.3 **Additional Costs.** Client will pay the costs for audits as set forth in Section 6.7 and the costs for retaining access to LMS as set forth in paragraph (4) of Exhibit A, as applicable.

Section 4 — Term and Termination

4.1 This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Service is to be provided as indicated in Section 4.2 and the Exhibits, and (b) the date on which the provision of all Services has been terminated or cancelled pursuant to this Section 4. Sections 3, 5, 6.3, 6.4, 6.6, 7 and 8 shall survive any termination of this Agreement or cancellation of any Services hereunder.

4.2 Unless cancelled earlier pursuant to Section 4.3, the Non-Termination Services shall expire upon completion of all regular payroll processing activities for Client for the 2013 payroll tax year. No Non-Termination Services will relate to the 2014 or any subsequent payroll tax year. The term during which the Termination Services shall be provided is as set forth in Exhibit C.

4.3 Notwithstanding Section 4.1 and 4.2, either party shall have the right to terminate this Agreement upon the Default of the other party immediately by providing written notice of termination. Client may terminate this Agreement for any reason or no reason upon one hundred twenty (120) days notice to Service Provider.

4.4 Notwithstanding Section 4.3, this Agreement may not be terminated by Client with respect to only some of the Services, but must be terminated with respect to all Services except as Service Provider agrees otherwise.

Section 5 — Ownership of Systems and Material

All Software Products, systems, programs, operating instructions, and other documentation prepared by Service Provider in connection with provision of the Services shall be and remain confidential and proprietary to Service Provider or third parties that supplied them and shall not be used for any purpose independent of the Services provided by Service Provider. Client acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefore which are owned by Service Provider by reason of the provision of the Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by Service provider and Client. Client shall treat these Software Products and all Services and related procedures as confidential, except to the extent Client is required to disclose information by valid order of a court or governmental agency or if the information is available in the public domain through no fault of Client. Client agrees that Software Products provided to Client under this Agreement are for Client’s internal use only. Client shall not copy, modify, reverse engineer, or in any way alter or make available to others the Software Products, without Service Provider’s express written consent.

Upon expiration or termination of this Agreement, with or without cause, Client shall immediately cease to use and shall, upon Service Provider's instruction, promptly return all Software Products and other materials and documentation provided by Service Provider pursuant to this Agreement or, at Service Provider's option and instructions, destroy and certify to the destruction of all such materials. Nothing in this paragraph shall prevent Client from using (except not in a way that interferes with Service Provider's delivery of the Services during the term of this Agreement) or developing software with the same or similar functionality as the Software Products.

Section 6 — Obligations and Relationship

6.1 **Service Provider's Obligations.** Service Provider will provide, or cause to be provided, the Services in accordance with Service Provider's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Exhibits. In providing the Services, Service Provider shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, if any. Except as provided in the preceding sentence, the Services are provided on an "AS IS" basis.

6.2 **Client's Obligations.** In addition to any Client obligations described in the Exhibits or in any other provision of this Agreement:

(a) Before such time as disbursements are required, Client shall be obligated to sufficiently fund its bank accounts on which Client payroll checks are drawn, from which direct deposits are made, from which payroll-related taxes are paid, and from which payments are made to creditors to fulfill wage attachments processed by Service Provider on behalf of Client employees.

(b) Client shall be solely responsible for all costs, expenses and liabilities caused by its failure to provide Service Provider with timely, complete and accurate information and funds for disbursement.

(c) Client shall be solely responsible for entering and verifying the accuracy, timeliness and completeness of any and all data transmitted to and produced by Service Provider as part of Services.

(d) Client shall be solely responsible for compliance with Service Provider's payroll processing procedures except to the extent doing so would be a violation of law.

(e) Client shall adopt reasonable measures to limit its exposure with respect to any potential losses and damages, including examination of relevant materials prior to use, provision for identification and correction of errors and omissions, preparation and storage of Client's own backup data sources, replacement of lost or mutilated documents, and reconstruction of data.

(f) Client shall notify Service Provider promptly of any error or omission, or unscheduled delay, interruption, or unavailability of the Services of which it becomes aware.

(g) Client shall be the guarantor and obligor of all costs, expenses and liabilities of Service Provider arising out of the acts or omissions of Client's locations receiving the Services, or any portion thereof, including any and all liabilities or obligations arising under Section 8.2 herein.

(h) Client shall pay its bank(s) directly for all bank account service fees and related bank account expenses related to the Services.

(i) Client shall authorize Service Provider to access bank account(s) designated and funded by Client to enable Service Provider to timely issue paychecks, make direct deposits and disburse payroll tax payments including but not limited to employee tax withholdings and employer tax contributions, as applicable (via checks and electronic funds transfer) and wage garnishment payments in accordance with its responsibilities under this Agreement.

(j) Client shall identify its employees who are authorized to coordinate security system management, and its employees who are to have Marrpay® Software or LMS access.

(k) Client shall not submit and Service Provider shall not accept paper submission of source documents unless expressly agreed to and identified by name or type in writing; provided, however, that Service Provider agrees to accept master correction forms (which do not create journal entries to Client's general ledger), Form W-2 correction documents, documentation to support requests for exemption from FICA (OASDI/Medicare) tax withholding, credit-to-wage requests, stop payment requests and rules-table source documents in paper format.

(l) Client shall comply, and ensure the compliance of any of its designated locations, with Service Provider's security procedures.

(m) Client shall develop (or purchase) and install, at Client's expense, any computer software necessary to establish connectivity to Marrpay® Software from its locations.

(n) Client shall be solely responsible for the proper identification of new payroll units, including the identification of the unit as a taxable entity and the identification of all payroll and other taxes which are imposed on payments made under the MARRPAY® system within the jurisdiction.

6.3 **Taxes.** Client will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Services by Service Provider, except for taxes based on net income of Service Provider. If any such taxes are levied on Service Provider or deducted from amounts otherwise due to Service Provider hereunder, Client shall "gross up" the payments to Service Provider so that the net amount received by Service Provider is equal to the amount required to be paid to Service Provider hereunder.

6.4 **Access.** The parties acknowledge and agree that in the ordinary course of business, Client may, from time to time, require access to Client's payroll records for various reasons. Service Provider shall provide access to Client's payroll records upon request in accordance with the Marrpay Security Access Protocol.

6.5 **Subcontracting.** To the extent necessary or desirable to perform the Services, Service Provider may subcontract any part of such services; provided, however, Service Provider will continue to be responsible for its obligations under this agreement on behalf of itself and any subcontractors of Service Provider. Service Provider shall be responsible for all payments to such subcontractors (provided that such obligation of Service Provider to pay such subcontractors shall not alter the amount Service Provider is entitled to receive from Client for Services hereunder).

6.6 **Relationship of Parties.** In providing the Services, Service Provider shall act under this Agreement solely as an independent contractor and not as an agent or partner of Client. All employees and representatives providing the Services shall be under the direction, control and supervision of Service Provider (and not of Client) and Service Provider shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of Client. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of Service Provider to Client, or to any plan trustee or any customer of any of them.

6.7 **Audit Rights.** Client shall have the right, upon at least thirty (30) days written notice to Service Provider, and in a manner to avoid interruption to Service Provider's business, to perform audit procedures over Service Provider's internal controls and procedures for the Services provided by Service Provider under this Agreement; provided that, such audit right shall exist solely to the extent required by Client's external auditors to ensure Client's compliance with the Sarbanes-Oxley Act of 2002, to determine if Client's

financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. Service Provider shall provide Client and Client's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as Client or Client's auditors may reasonably require to perform such audit procedures. Service Provider shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. Client shall pay or reimburse all of Service Provider's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in Service Provider's controls or procedures described in this Section 6.7.

Section 7 — Confidential Treatment of Information

7.1 **Confidentiality.** Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

7.2 **Client Information.** Without limiting Section 7.1, for purposes of that section, any Client Information provided by Client to Service Provider for use in connection with the performance of the Services shall remain the exclusive and confidential property of Client. Client's employee database records and human resources and payroll information shall be deemed confidential information. Upon Client's request, Service Provider shall provide Client's information to third parties identified by Client as a recipient of such Client Information. Service Provider shall instruct its employees who have access to Client Information to keep the Client Information confidential by using the same care and discretion that Service Provider uses with respect to its own employee database records and human resources and payroll information.

7.3 Retention of Client Information. Without limiting Section 7.1, Service Provider shall, to the extent applicable, retain Client Information in accordance with Service Provider's records retention practices. Except as otherwise provided in Exhibit C, Service Provider shall, in conformity with its internal records retention practices and after advising Client of its intention at least 6 months in advance, dispose of Client Information in any manner deemed appropriate by Service Provider unless Client, prior to such disposal, furnishes written instructions for the disposition of such Client Information at Client's expense. Service Provider shall provide to Client, in a standard format, Client Information which Client may reasonably request.

Section 8 — Disclaimers; Indemnification; Limitations of Liability

8.1 Limited Warranty. EXCEPT AS SET FORTH IN SECTION 6.1, SERVICE PROVIDER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE SERVICES UNDER THIS AGREEMENT.

8.2 Limitations of Liability and Indemnification.

(a) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of Service Provider's obligations in connection with the provision of Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of Service Provider, Service Provider's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform such services. Service Provider agrees to indemnify, defend and hold harmless Client and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of Service Provider. Client shall promptly advise Service Provider of any such breach of which it becomes aware.

(b) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (a) ABOVE, SERVICE PROVIDER SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. CLIENT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS SERVICE PROVIDER AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED

PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(c) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

8.3 Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

8.4 Laws and Government Regulations. Notwithstanding the obligations of Service Provider to perform the Services under this Agreement, Client shall be solely responsible for compliance with all laws and government regulations affecting its business, including but not limited to payment of tax penalties and interest, garnishment payments and other compliance related expenses originating from the Services.

8.5 Exclusive Liability. The foregoing provisions of this Section 8 set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

Section 9 — Default

Either party shall be in "Default" under this Agreement if (i) it is in breach of its obligations under this Agreement, (ii) it receives notice of such breach, such notice to describe the nature of such breach in detail and (iii) such breach has not been cured within thirty (30) days of the date of receipt of such notice (in which event the day after the last date of said cure period shall be the Default Date), except that it shall be a Default by Client if Client fails to make any required payment when due, which failure is not remedied within five (5) days after receipt of written notice thereof, and either party shall be in Default on the date of its committing an act of liquidation or bankruptcy, including, without limitation, a filing under the Bankruptcy Act or under other similar bankruptcy laws, an assignment for the benefit of creditors, or otherwise ceasing to continue business operations as a result of insolvency. Without limiting the foregoing, a payment or other breach by MVWC with respect to one or more Services shall give Service Provider the right to suspend such Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights no prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

Service Provider shall not be liable or deemed to be in Default for any delay or failure to perform hereunder resulting, directly or indirectly, from any cause beyond Service Provider's reasonable control, including but not limited to limitations upon the availability of Client funds required to make timely disbursements, the temporary unavailability of communications and computing facilities or equipment, or the failure of Client to satisfy the time requirements established by Service Provider for the provision of information.

Section 10 — Miscellaneous

The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 10 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement unless otherwise indicated): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.13 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

MARRIOTT INTERNATIONAL, INC.

Date: November 17, 2011

BY: /s/ Kevin M. Kimball
Name: Kevin M. Kimball
Title: Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

Date: November 17, 2011

BY: /s/ Ralph Lee Cunningham
Name: Ralph Lee Cunningham
Title: Executive Vice President

EXHIBIT A — SOFTWARE SERVICES

(1) Service Provider is the owner of, or the licensee of, certain Software Products. Service Provider agrees, pursuant to this Agreement, to license, sub-license or sub-sub-license to Client those portions of the Software Products delivered to Client as necessary to provide the Services to Client, and to grant Client access to the Services. Except as otherwise provided in this Exhibit A, Client acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by Service Provider, as applicable, by reason of the provision of the Services provided hereunder.

(2) Subject to Section 6.1, as part of providing the Services, Service Provider shall provide Client with access to the Marrpay® Software through the Marrpay On-Line Service® (currently accessible via Host On Demand), and access to LMS.

(3) Subject to the applicable costs specified in section (2) of Exhibit D, Client may add or remove business locations upon giving Service Provider no less than 30 days notice; provided that, in the event of an acquisition, business combination or other transaction by Client involving the addition of more than 1000 employees or more than 20 locations, Service Provider will not be required to provide services with respect to such additional employees unless the parties shall mutually agree otherwise.

(4) With respect to any enhancements to the Software Products that Service Provider initiates and develops in its sole discretion, Client shall accept such enhancements as Service Provider will advise are appropriate to maintain compatibility with the latest version of the Software Products. Service Provider shall provide Client with reasonable notice of any such enhancements. Client also shall accept enhancements made by Service Provider for the purpose of legal compliance. Notwithstanding the foregoing, unless required by law, Service Provider shall not implement any substantial changes affecting Client unless Service Provider has furnished Client notice (the same notice Service Provider provides its own business) thereof.

Without limiting the foregoing, it is understood that Service Provider has approved a project plan to replace LMS with another labor management scheduling application during 2013. Client may elect upon reasonable notice to Service Provider to maintain its LMS access for the term of this Agreement, provided that in such event Client shall pay or reimburse all of Service Provider’s costs to provide such continued access to LMS. Commencing with the date hereof, Service Provider shall provide Client notice no less often than once each calendar quarter, and beginning January 1, 2013, no less often than once each calendar month, which notice shall be deemed sufficient for purposes of this paragraph (4), of Service Provider’s latest assessment of the expected schedule for implementing the replacement of LMS.

(5) Service Provider will provide Client with commercially reasonable programming support solely to establish and maintain the necessary interfaces between Client's third party benefit providers and Marrpay®. "Reasonable programming support" shall be deemed to be the level of support that would be required, utilizing existing personnel, to reprogram existing interfaces to accommodate outside parties if such parties accepted the current interface format. Nothing in this paragraph shall require Service Provider to provide support or develop functions for services that it is not currently providing to Client or to modify any systems that are currently being used to provide services to Client except to the extent described above as "Reasonable programming support."

EXHIBIT B — PAYROLL SERVICES

(1) Payroll Payment Production

- Provide for weekly and bi-weekly payroll-payment frequencies
- Provide for acceptance of time data inputs from applications to include LMS, Mosaic, and/or Marrpay® Online Services.
- Provide for edit and validation of time data and certain other controls for computing gross compensation, tax deductions, wage attachments, insurance deductions, receivables, deductions for savings plans, and others which facilitate computing net pay
- Produce payroll payments via check, direct deposit and/or pay card
- Manage 3rd party relationship with TALX for Employment Verification Services
- Manage ancillary processes to include: manual check production, check reversals, stop payments
- Manage garnishment/wage attachment process to include set up, withholdings, and payments to creditors
- Manage all tables required to ensure Marrpay® function, including, but not limited to, occupation code tables, unit header tables and deduction code tables
- Provide new hire reporting as required

(2) Payroll Accounting

- Provide payroll activity data for recording to general ledger
- Balance sheet account reconciliations
- Initiate payroll payments from Client bank accounts (Citibank for checks, JPMC for direct deposit and pay card)
- Bank account management for Citibank account via Drafts Reconciliation System (check issues/clears)
- Journal entry processing

(3) Payroll Tax

- Withholding for Federal, State, Local, Virgin Islands, and Unemployment taxes
- File Federal, State, Local, Unemployment, Bureau of Labor Statistics, and SSA returns and make appropriate tax deposits
- Calculating, depositing and reporting of certain miscellaneous employer payroll taxes and information returns (e.g., Nevada Business Tax)
- Social Security Number Verification
- Preparing, distributing, and filing of Forms W-2 and automated Forms W-2C; Forms 8027 (employees Annual Information Return of Tip Income and Allocated Tips)
- Manage 3rd party relationship with TALX for Unemployment services
- Manage tip and TEFRA sales reporting
- Partner with AonHewitt on F1/J1 associates, IRS Lock in Letters, and federal and state tax exempt withholding requests

- Tax research and compliance
- Reconciliations as needed for executive compensation schedules for proxy statements, divorce, etc.
- Maintain tax tables for rate changes and new unit set ups
- Support properties under examination for federal, state, local, and union audits

(4) Payroll User Support

- Provide Help Desk support to associates, HR Professionals, Paymasters, Payroll administrators, etc. for payroll-related inquiries
- Provide access that allows for entry and retrieval of payroll information

(5) Payroll Systems Support and Maintenance

- Provide support for system maintenance and required regulatory updates to include applicable federal, state, and local tax tables
- Provide configuration and on boarding support for new business units to Marrpay® and LMS

EXHIBIT C – TERMINATION SERVICES

(1) The Termination Services shall commence upon or before the expiration of the Non-Termination Services, as applicable, and each of such Termination Services shall cease upon expiration of the applicable periods of service set forth in paragraph 4 below, or such other period as mutually agreed between the parties. Nothing in this Exhibit C shall be deemed to constitute an extension of the period for which Non-Termination Services are provided under this Agreement.

(2) Notwithstanding paragraph (1) of this Exhibit C, Client must pay Service Provider all costs due Service Provider under the Agreement relating to already-performed Non-Termination Services before Service Provider shall perform the Termination Services.

(3) Client shall pay Service Provider all applicable costs set forth in Exhibit D for the Termination Services. If Client fails to pay such costs timely pursuant to Section 3 of the Agreement, Service Provider may terminate the provision of all Termination Services upon notice to Client regarding Client's Default, provided such Default is not cured within 5 days of such notice. This shall not relieve Client of its obligations to pay all costs or interest under Section 3 of the Agreement.

(4) Subject to the provisions of this Exhibit C, and to additional terms and conditions to be negotiated and mutually agreed upon by the parties in good faith, Service Provider shall provide commercially reasonable services and assistance to transition the Non-Termination services to Client or a third party provider, including but not limited to any of the following Termination Services as elected to be received by Client:

a) Change in Tax Filing Status: Service Provider shall notify federal, state and local taxing jurisdictions regarding cessation of common pay agent status effective following the pertinent tax quarter.

b) Tip-reporting data: Service Provider shall accumulate and report all Client tip-reporting data on Marrpay® to the appropriate taxing authorities for the final year of the Termination Services.

c) Garnishments: Service Provider shall provide Client with copies of all then-current garnishment orders pursuant to a mutually agreed upon schedule and term. Service Provider shall provide Client with new garnishment orders (that Service Provider reasonably believes are intended for Client) received by Service Provider during the six-month period following the earlier of June 30, 2014 or expiration or cancellation of Non-Termination Services in accordance with Section 4 of the Agreement.

d) Data: Service Provider shall provide Client with all necessary information to allow Client to transition to a new payroll vendor, as mutually agreed upon by the parties. This information may include payroll payment data for all Client employees, file layouts and data mapping, and OnDemand reports.

e) File of Draft Reconciliation Software (DRS) Data: Service Provider shall provide Client a file containing the information on outstanding payroll checks that have not cleared the banking system in DRS as of the expiration or cancellation of Non-Termination Services in accordance with Section 4 of the Agreement.

f) Escheatment: Service Provider will perform escheat-compliance services during the six-month period following the earlier of June 30, 2014 or the date that the Non-Termination Services expire or are cancelled in accordance with Section 4 of the Agreement.

g) Form W-2 Services: For the nine-month period following the end of the last tax year for which Non-Termination Services are provided, Service Provider shall file manual Forms W-2c and provide to Client re-issues of Forms W-2 and Forms W-2c relating to such tax year.

EXHIBIT D — COST SCHEDULE

The costs paid by Client to Service Provider shall include the sum of all of the costs specified below, as applicable.

(1) Base Services Fee. The Base Services Fee for 2011 shall be $2.04 per Weeks Reported for Pay. The Base Services Fee shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

(2) LMS Fee. In addition to the Base Services Fee, Client shall be charged one or both of the following costs, as applicable, for access to, use of and/or changing of LMS as part of the Services:

a. LMS Application Support Fee. This fee is for ongoing support of LMS at each Client location as of the Closing. In 2011, such fee shall be based on the rate of $40 per manager per period. This fee shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

b. LMS On-boarding Fee. This fee shall apply to each new Client location/unit to receive Services, and shall include:

i. One-time charge for configuration – Fee shall be $4,100 in 2011, which shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

ii. One-time charge for training – Fee shall be $8,500 for training commenced in 2011, which shall be adjusted for 2012 and 2013 in accordance with Section 3.1 with respect to allocated costs.

iii. Systems changes – Fee shall be determined based on the specific services requested.

(3) Unemployment Services Fee. Client shall be charged a separate fee on a quarterly basis for Unemployment services described in Exhibit B, section (3). Such fee shall be at Service Provider's cost which shall be the amount invoiced by the third party vendor (currently, TALX) pertaining to services provided exclusively to Client, and Service Provider shall provide Client with invoice from such third party vendor.

(4) Termination Services Fee. Client shall reimburse Service Provider for (i) any out of pocket costs incurred by Service Provider in providing the Termination Services, (ii) any costs and expenses of employees of Service Provider that are allocated to a fund or specified payment source (for the avoidance of doubt, Client is not responsible for internal costs incurred by Service Provider, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by Service Provider for the termination of employment of employees of Service Provider (if any), it being understood that Client shall only be responsible for such severance and termination costs as are mutually agreed to by Service

Provider and Client with respect to employees of Service Provider who are primarily engaged in providing the Services (for the avoidance of doubt, Client is not responsible for severance and other termination payments made by Service Provider for the termination of employees of Service Provider who were not primarily engaged in providing the Services to Client).

Exhibit 10.9

HUMAN RESOURCES AND INTERNAL COMMUNICATIONS

TRANSITION SERVICES AGREEMENT

This HUMAN RESOURCES AND INTERNAL COMMUNICATIONS TRANSITION SERVICES AGREEMENT (this "Agreement"), is effective as of November 19, 2011, by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated as of November 17, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing on the Closing Date and continuing until the second anniversary of the Closing Date (the "Transition Period")(unless a different period is specified for a particular service on the applicable exhibit attached hereto (each, a "Services Exhibit"), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described in the Services Exhibits hereto (the "Transition Services"). Such services shall be provided at the charges described in the Services Exhibits and in accordance with Section 3 below. MVWC may cancel any Transition Services upon not less than one hundred twenty (120) days' prior written notice of cancellation to MII, unless a different period is provided for in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes for its business conducted under brands licensed from MII and its Affiliates, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties (provided, that a property owner's association or similar entity for a project operated by MVWC or its Affiliates under brands licensed from MII and its Affiliates shall not be considered a third party for purposes of this Section 1).

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill as it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Billing and Payment.

A. Payments. MVWC will pay the costs set forth in the Services Exhibits for those Transition Services that have not otherwise been cancelled by MVWC and that are provided pursuant to Section 1 of this Agreement during the Transition Period. Such costs that are currently allocated are subject to change based on annual budgets, actual expenditures, or other metrics, whether or not such allocation is set forth or described in the Services Exhibits; provided, that all such allocations to MVWC shall be made on a fair and reasonable basis, and MVWC acknowledges that such allocation methodologies in place as of the Closing Date are fair and reasonable; and provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related Transition Services hereunder. Such allocations shall be subject to periodic "true-ups" for actual allocated costs. MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date, and MVWC shall pay MII at the times and in the manner as payment is customarily made as of the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to enable MII to make such payments, and MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

B. Termination-Related Services and Payments. In connection with the termination or cancellation of the provision of any Transition Services by MII hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC and its Affiliates or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a

Services Exhibit, with respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination or cancellation of the Transition Services or this Agreement, as the case may be, occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination or cancellation of the Transition Services or of this Agreement, as the case may be, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVW shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC).

4. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services, as applicable, consistent with past practice. MVWC will give MI and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of MVWC and its Affiliates and their respective personnel for the purposes of providing the Transition Services.

5. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors (provided, that such obligation of MII to pay such subcontractors shall not alter the amount MII is entitled to receive from MVWC for Transition Services hereunder).

6. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its

Affiliates, as applicable, except for taxes based on net income of Parent or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

7. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are owned by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

8. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

9. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly.

10. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated on the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 1 and (c) the date on which this Agreement is terminated pursuant to Section 11. Sections 3, 6, 7, 8, 9, 12, 13 and 17 shall survive any termination of this Agreement or cancellation of any Transition Services hereunder.

11. Breach of Agreement. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of 10 Business Days following such party's receipt of written notice of such failure,. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. Without limiting the foregoing, a non-payment or other breach by MVWC with respect to one or more Transition Services shall give MII the right to suspend such Transition Services until such breach is cured. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

12. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII, MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MII agrees to indemnify, defend and hold harmless MVWC and its Affiliates and their respective directors, officers, employees and agents as a result of the fraud or willful misconduct of MII. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (b) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(d) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(e) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

13. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all records and other information with respect to the other party. Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all such information of the other party in confidence; (b) not disclose any such information to any third party without the permission of the other party, except as required by Law; (c) not use any such information of the other party for any purposes other than performing its obligations under this Agreement; (d) limit access to the information of the other party to those employees and agents who have a need to know the information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such information and with third parties having any access to such information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any such information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

14 Modification of Procedures. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(a) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(b) MII changes such practices and procedures for its own business units at the same time; and

(c) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed an acceptance of such change. In the event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable expenses resulting from MII's need to maintain different versions of the same systems, procedures, technologies, or services or resulting from requirements of third party vendors.

15. Compliance Audits. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Transition Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits.

16. Audit Rights. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for the Transition Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 16.

17. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 17 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Article VIII (Further Assurances); Article IX (Termination); Section 11.1 (Counterparts; Entire Agreement; Corporate Power); Section 11.2 (Governing Law); Section 11.3 (Jurisdiction); Section 11.4 (Waiver of Jury Trial); Section 11.5 (Assignment); Section 11.6 (Third Party Beneficiaries); Section 11.7 (Notices); Section 11.8 (Severability); Section 11.10 (Headings); Section 11.11 (Waivers of Default); Section 11.12 (Specific Performance); Section 11.3 (Amendments); and Section 11.16 (Interpretation).

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on November 17, 2011, and effective as of November 19, 2011.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Kevin M. Kimball
Name: Kevin M. Kimball
Title: Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Ralph Lee Cunningham
Name: Ralph Lee Cunningham
Title: Executive Vice President

Human Resources Transition Services

Area	Description of Services	Current Charges	Term for Providing Services
	Transition Services to be provided by MII to MVWC and its Affiliates as applicable. MII will provide to MVWC all MII communications, change management and training plans and materials relating to the implementation, roll-out or change to systems or services covered in the Transition Services provided hereunder. All of the Transition Services include MII providing updated pages from Marriott Global Source (MGS) relating to all such services in cases where MVWC does not have access to such pages on MGS.	See Agreement Section 3 concerning changes to charges and termination or cancellation assistance charges.	Services to be provided by MII to MVWC until cancellation of a category of services or until termination under this Agreement. “Effective Date” has the meaning set forth in the Separation Agreement. If MVWC proposes the cancellation of a service but not all services under this Agreement, MII will analyze the impact on the provision of other services under this Agreement in a timely fashion in order to allow MVWC to make a decision about the cancellation.
Quarter Century Club	Enroll and provide QCC cards to Associates of MVWC or its Affiliates who achieve combined 25 years of service with MII and MVWC or its Affiliates within 18 months after the Spinoff. MVWC will notify MII or MII’s designated third party of MVWC’s	Cost per packet and shipping charged at then current rate.	Up to 18 months following the Spinoff (relative to services specified herein only; benefits to qualifying associates extend

	or its Affiliates' associates who satisfy the requirements based on additional MVWC service and MII or a third party will mail the QCC packet to the associates and will notify MII reservations of new members.		beyond this timeframe).
International Compensation and Benefits	• International Assignment Policy (IAP) and Regional Transfer Policy (RTP) estimates and calculations for compensation packages. • Administration of IAP, RTP and US Persons work abroad packages and compensation programs. • Provide update to housing ceilings for countries supported. • Assist in development of merit increase budgets. • Provide information on updates to IAP and RTP policies. • Advise on health and welfare plans and retirement schemes in non-US locations supported.	Charges are not broken down by activity. Total charge for 2011 (payable in installments each period): $101,079. Estimated charge for 2012 (budget pending): $70,242	Through 12/31/2012.
	• Provide software tool to administer RTP packages.	Estimated at $450 per calculation based on number of calculations run by MVWC using AirInc tool. This cost is in addition to the annual charge noted above.	Through 12/31/2012.
	• Coordinate expatriate income tax preparation.	Charges by external tax consultant of MVWC under MVWC service contract. Charge by MI based on 2013 budget and anticipated activity and headcount.	Generally, through the end of first quarter 2013; provided, however, that coordination will be provided beyond that date in cases where the expatriates have submitted their organizers after February 28, 2013, but in no event

			will coordination be provided beyond 12/31/2013.
Middle East Medical Insurance Cover	MVWC will be provided access to MII's broker, Berkeley Burke, to purchase the same insurance coverage for MVWC associates who work in the covered Middle East countries of the same sort provided to MII associates in such countries, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	2011 charge: $175,400 per year, charged quarterly.	Through 12/31/2011.
UK Supplemental Medical Insurance Cover	MVWC subsidiaries MVCI Europe Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same supplemental medical insurance coverage for their eligible associates who work in the UK of the same sort provided to MII associates in the UK, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; proved, however, that MII will inform MVWC of planned changes.	Pass through costs based on MVWC associate enrollment and contract rates.	Through 12/31/2011.
UK Employee Assistance Programme	MVWC subsidiaries MVCI Europe Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same employee assistance programme services for their eligible associates who work in the UK of the same sort provided to MII associates in the UK, subject to satisfaction of all eligibility rules and administrative guidelines. Plan design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	Pass through costs based on MVWC associate eligibility and contract rates.	Up to 24 months from the Effective Date.
UK Salary	MVWC subsidiaries MVCI Europe	Pass through costs	Through

Survey	Limited, MGRC Management Limited and 47 Park Street Limited shall be entitled purchase the same salary survey services of the same sort provided to MII in the UK, subject to satisfaction of all data requirements and administrative guidelines. Survey design is at MII's sole discretion; provided, however, that MII will inform MVWC of planned changes.	based on MVWC headcount and contract rates.	12/312011.
New Learning Services	Design and Development Brand Learning: Build learning capability to in support of global brand and business priorities. Design & Development: Deliver curriculum and deployment solutions in support of global stakeholders. Delivery: Build global capability for instructor led deployment and train-the-trainer experiences.	MVWC to pay for services, as needed, based on hourly rates as noted below: Analyst/Manager $71; Sr. Manager $95; Director $114; Sr. Director $143; Vice President $200.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tool, and interfaces.
Maintain/Add e-Courses	eLearning Course Implementation MII will perform the eLearning course implementation work necessary to place the MVWC eLearning programs on the myLearning system available to MVWC associates. MVWC provides the necessary information to complete the Learning Activity Request Form.	Range from $1500 to $2500 per course, including upload test and release. Price varies based on course complexity and length.	Up to 24 months from Effective Date.
	eLearning Annual Maintenance Sustainability enables content support and technical assistance with any content hosting or functional issues post-implementation to ensure eLearning programs are working properly. It also provides for implementation services to re-upload and perform User Acceptance Testing to replace or refresh existing content in the event of a content modification or	$500 per course deployed.	Up to 24 months from Effective Date.

technical challenge. MVWC will be required to participate in User Acceptance Testing.		
Non-U.S. Core Administration, Instructor-led Training Delivery and Cadent material shipping. MVWC has the right to use any instructor-led courses created and owned by MII prior to the Spinoff, and to modify, reproduce, distribute or appropriate as its own such courses. MVWC may retain any such MVWC modified instructor-led courses after the Transition Period.	$750 per Manager per location per year.	Up to 24 months from Effective Date.
Gatekeeper and Learning Coordinator in myLearning Gatekeeper support for learning related activities and Learning Coordinator identification and certification support. myLearning curriculum repository, and the myLearning Reporting Tool.	2011 charge to MVWC: $37,702 per year.	Up to 24 months from Effective Date.
Courseware Courseware to be made available to MVWC and its Affiliates. Includes access to the programs through myLearning for course registration, eLearning activities, DVDs and other materials to enable MVWC to deliver and facilitate these programs. MVWC has the right to use any courseware created and owned by MII prior to the Spinoff, and to modify, reproduce, distribute or appropriate as its own such courseware. An exception to this is for any training provided by a third party which Marriott does not own and these cannot be modified, reproduced, or distributed by MVWC. MVWC may retain any MVWC modified courseware after	Ashridge: included in the “Non-U.S. Core Administration” fee described above. Element K: $0.39 per unit. Rosetta Stone: $49.00 per participant. Foundations of Cleaning: $750 tuition per participant. Food Safety: $70 per manager participant. OSHA Standards: $100 per DVD ordered. Armed Robbery: $100 per DVD ordered. Associate Safety Orientation: $100 per DVD ordered. Back Injury Prevention: $100 per DVD ordered.	Up to 24 months from Effective Date.

the Transition Period. Courses that are listed in this document that are not available to franchisees will be available to MVWC only through the Transition Period. After the Spinoff enhancements to any of these programs will have a development cost to MVWC if MVWC desires to utilize such enhancements. Additionally, MII has the right to cancel any course that, in MII's sole discretion, no longer provides business value.	<u>At no cost:</u> Privacy Directions; Full Service Property Management Systems suite; Marriott Rewards; We Welcome Service Animals; Tips & Alcohol Service; Trainer Certification I; CPR, First Aid and AED; American Red Cross Standard First Aid; Housekeeping suite.	
<u>eLearning Courseware –</u> The listed eLearning courseware to be provided. MVWC has the rights to use any courseware owned by MII created prior to the Spinoff, and to modify, reproduce, distribute and appropriate as its own. An exception to this is for any training provided by a third party which Marriott does not own and these cannot be modified, reproduced, or distributed by MVWC. MVWC may retain any MVWC modified courseware after the Transition Period.	Change Management for Human Resource Professions: $500 per participant. Interviewer Certification: $105 per participant. Harassment Prevention: $15 per participant. <u>At no cost</u>: Supervisor Spirit I & II; myLearning Learning Coordinator certification course materials; Information and Security Protection Training; The Business We Do; Culture Wizard; Curriculum G; Living Our Core Values III; Engineering eCampus; US Patriot Act; Pool Safety; Foreign Corrupt Practices Act; Risk Management Curriculum available to franchisees, Surveillance Detection suite; Guestware curriculum suite; myHR	Up to 24 months from Effective Date.

		Manager Self-Service suite.	
	Passports to Success! - The primary objective of Passports to Success! is to provide basic, technical and soft skills training for non-management operations associates working in rooms operations and food and beverage. Passports has been expanded to include additional modules and training curriculums. In addition, certain modules are also offered to managers working in operations and other disciplines. Participating properties can track individual associates' progress online with a certification application.	2011 charge: $5.50 per sellable timeshare unit per year per participating property. Estimated 2012 charge: $5.75 per sellable timeshare unit per year per participating property.	Up to 24 months from Effective Date.
	MII hereby grants MVWC the right to modify, reproduce, distribute and appropriate as its own, any Risk Management eLearning materials created and owned by MII and not available to franchisees, and to use and distribute as its own any Risk Management eLearning materials created and owned by MII that are available to franchisees. MVWC may retain any such MVWC modified eLearning materials. MII affirms that it has obtained all consents and has all rights relative to such grant to MVWC.	At no cost: Risk Management Curriculum. In addition, MVWC has been, and will continue to be, provided with Risk Management courses not available to franchisees for use outside of MII's Learning systems. However, this should not be construed as training mandated, controlled or directed by MII.	For modifications to the materials, as long as MVWC uses these systems and MII maintains them. If the systems are no longer used by MVWC or maintained by MII, MVWC will have the perpetual right to use previous versions.
Finance and Accounting eLearning	Finance Courses (G/L, Marrpay, MBS courseware, etc.) although not owned, or managed by HR, will be made available to MVWC through myLearning for the duration of this Agreement. Once the TSA is over, MVWC will work with MII F&A to obtain training required to support F&A business process and systems that are provided as services by MII. After the end of the Transition	At no cost: Finance Courses (G/L, Marrpay, MBS courseware, etc.)	Until December 31, 2013.

	Period, MII hereby grants MVWC the right to modify, reproduce, distribute and appropriate as its own, any eLearning materials created and owned by MII. MVWC may retain any such MVWC modified eLearning systems and/or materials after the Transition Period. MII affirms that it has obtained all consents and has all rights relative to such grant to MVWC.		
Global Learning Governance	Learning metrics and reporting – MVWC will have access to MII's best practices, templates and tools for standardized learning reports to include standardized questions for level 1, level 2 and level 3 measurement. Vendor management – MVWC will have access to MII preferred vendors that may be selected for learning content as appropriate to franchisees. Service includes analysis of learning vendors. Learning Management Standards and Systems – MII to provide MVWC with access to MII's best in class learning standards from external companies which MII subscribes to. MII to provide MVWC access for creating, publishing and deploying learning in the MVWC environment. If MII selects and implements a new learning system during the Transition Period, MVWC will be included in the transition to the new tool. MVWC will participate in User Acceptance Testing of the new system.	MVWC to pay to MII a fixed cost of $46,059 annually.	Up to 24 months from Effective Date.
Prior Years of Service	MII will calculate the prior years of service for periods before the	2011 charge: $13,250.	Up to 24 months from Effective

Calculations	Spinoff for associates who were employees of the MII group before the Spinoff at the request of MVWC human resources.		Date.
myHR Services and Systems	MII will provide system access for the system of record for HR transactional data, and all other tools interfacing with such system that gather or update relevant associate data throughout these various tools. In addition MII will allow MVWC continued access to MVWC data in the common data store which contains both current and historical data through interfaces with various HR systems. Enterprise web-enabled systems and services to support: <u>Employee Data Management</u> – Performance of all activities necessary to capture, track, modify and report employee-related electronic and physical data. Activities include: • Strategy and policy • Table maintenance • Date Integrity • Organizational structure maintenance • Employee records, files, and documents. • Reports <u>HR Information Technology/HR Information Services</u> – Information technology infrastructure, systems, equipment, software, local area network, common office environment, and wide area network facilities used to deliver the HR Function and includes: • IT Architecture • Connectivity • Infrastructure Operations and	2011 rates in effect for “myHR Services and Systems U.S. myHR Services and Systems: $122 per associate per year, billed per period; future rate expected to be $144 per associate per year, billed per period; U.S. $24 per associate per year, billed per period; Non-U.S. myHR Services and Systems: $69 per associate per year, billed per period; Non-U.S. PeopleSoft HRMS Profile: $9 per associate per year, billed per period. Rates are based on volume and may fluctuate. Annual inflation applies. If MVWC specific changes are required to any of the systems supported during the Transition Period, MVWC will pay for these changes at the ongoing rate.	Up to 24 months from Effective Date. Continued use of the systems is predicated on dependencies to other systems, tools, and interfaces.

Management

- Forecast and Capacity Planning
- Storage Management
- Record Retention and Record Retention Procedures
- Data Security Practices
- Physical Security
- Systems Interfaces
- Systems Production Support
- Systems Scheduled Business Activity Support
- Systems Production Maintenance
- Supported Software Prevention Maintenance
- Enhancement Management
- Systems Ad Hoc Services
- Systems Training
- Problem Management
- Problem Management Services

Employee and Manager Self Service – Service delivery methods that can be used to deliver access to HR information and services via direct access vehicles (including Interactive Voice Response, web, kiosks, direct access) and includes specific services via web-based direct access.

- Associate and manager self-service strategy, policy and initiatives
- Participant self-service Tools to meet business goals and objectives
- Provide web-enabled solution that allows multiple options for network access (including intranet, extranet, internet and virtual private network) to the Systems
- Provide functionality that identifies and appropriately

categorizes participants accessing the Systems and maintains brand identity through the uploading of specific content, as applicable

- Provide on-line instructions to participants on the use of self-service tools
- Integrate Aon-Hewitt's self-service tools to company's single sign-on solution
- Identify any potential network limitations that may degrade performance
- Provide participants with access and transaction capability for the self service tools including with respect to:
    - maintaining personal information
    - accessing and registering for education and training
    - accessing performance and career development information
    - viewing and applying for jobs
- Provide managers with access and transaction capability for the self-service tools including with respect to:
    - Associate indicative data including performance data
    - department budget and financial data required to provide compensation information and modeling capability
    - education and training programs
    - performance appraisals, development plans, and succession plans
    - recruiting and staffing information

- statistical and ad-hoc report generation
- management reporting

- Update links and URLs specific to MVWC on-going releases (which includes, but is not limited to, any releases of new systems, programs or other initiatives) as long as the change does not require more than 20 hours of work.

Pass-through charges for updating links and URLs specific to MVWC requiring more than 20 hours of work.

Workforce Analytics Services – Provides timely, accurate, information on-demand for managers, HR professionals, and business leaders for assessing their unit's performance relative to key human capital metrics. Accessed through myHR, the workforce analytics information and reports are secured by role, organization and level.

Compensation Administration Services:

- Salary Surveys
- College Hire rates
- Market Analysis Process
- Job Evaluation
- Salary Administration and Monitoring—Base Pay (salary, zones, classifications), incentive pay, and bonus structures for U.S. and non-U.S. locations.
- Total Compensation Actions
- Site classification
- MRP Analysis
- Total Compensation Tools – An enterprise, web-enabled tool supporting compensation functions including technology to monitor and process merit increases and bonuses including my-Pay Discussion Guides.

- Access to wage planning tool developed by MII. Directors of Human Resources are provided the tool at the sole direction and implementation of MVWC Human Resources for the budgeting season.

Performance Management and Succession Planning – Technology available to management employees to conduct electronic performance management activities, for example, goal setting, performance feedback, performance reviews, development planning and workforce planning including succession management, human capital reviews. In addition, these are web tools accessible by all management employees that result in large efficiencies, are more accurate, assist in aligning individual goals with business goals. Also includes link to the existing Hourly Performance Process form.

Learning Management System – An enterprise, web-enabled tool that is available to all employees with an EID. Tools support training coordination, tracking and monitoring of enrollments, brand standard requirements, and associate development goals. Additionally the tools support logistics for delivery of programs and closeout of programs. This tool provides all associates with an Enterprise ID a place to enroll in classroom based learning such as core programs and eLearning curriculum. Learning reports are included as provided today.

Human Capital Services

- Contact Center - Provides employees with access to a single point of contact call center via a MVWC dedicated help line, including contact center services and case management.
- Supports Employees, Managers, and HR Professionals
- 24/7 Interactive Voice Response System
- 9:00am -8pm Eastern Standard Time
- Bilingual Staff Fluent in English and Spanish
- Real Time Interpreter Services in 150 Additional Languages
- Secure email access to the Contact Center through HR portal
- Appropriately identify caller type to route calls in accordance with specified criteria.
- Customer Support Services – Services available via myHR portal access or through the myHR service center supporting all applicable services for MVWC.

Employee Communication – Activities associated with the process of communicating HR-specific items. MII will provide to MVWC (1) advance notice when possible of any change in process, new policy, program, initiative or event relating to the services/systems provided by MII to MVWC under this Services Exhibit, as well as (2) relevant materials, plans, policies, program communications, specific event communications and all other related materials. MVWC is

	accountable to communicate to their workforce.		
	Transition upon termination or cancellation of myHR Services and Systems services. Transition work includes separation of data for MVWC (and its Affiliates) and separation of access as applicable based on tool constraints.	Estimate of $200,000 to MII plus costs of third party vendor.	
Sales Compensation	Transactional services (via AonHewitt database) for MVWC Sales Compensation process which provides for documentation, calculation and payment of (1) Sales Executive hours worked, commissions and bonuses, and (2) Marketing & Sales Management fixed incentives, quarterly incentives, annual true-ups and eligible earnings at MVWC's request and oversight. • Create, maintain, and update commission calculation spreadsheet requested by MVWC. • Perform weekly, period, quarterly, or annual calculations of commission bonuses, and Special Performance Incentive Funds, and other cash payments for MVWC as requested by MVWC. • Calculate commission due to commission eligible associates, commission true-ups, and report other cash payments for MVWC. • Submit weekly commission reports for verification and approval for MVWC. • Submit commission calculation results to MVWC or appropriate	Estimated to be $16,700 per period for 3rd party vendor services, based on the number of associates, which number will be updated by MII each period. Headcount to be confirmed by MVWC.	Up to 24 months from Effective Date. Continued use of the systems is predicated on dependencies to other systems, tools, and interfaces.

	payroll provider. • Respond to queries from associates regarding commission, bonus and Sales Performance Incentive calculations for MVWC. • Escalate queries from associates regarding commission, bonus, and Sales Performance Incentive to appropriate MVWC department where such queries pertain to functions or responsibilities not performed by AonHewitt or that require interpretation or exception to policies. • Draft, maintain, and process research memoranda to document inquiries and changes with respect to commission, bonus, and Sales Performance Incentive calculations. • Include chargeback information in commission reporting for MVWC. • Recalculation of regular rates of overtime pay. • Processing of time data and payroll for sales executives.		
Hourly e-Hiring System	Hourly applicant tracking system which provides an end-to-end solution that streamlines the staffing process. The tool includes functionality to enable applications to be submitted electronically, incorporates an assessment within the applications submission, enables manager self-service to track and screen applicants through a web interface, pre-populates new hire paperwork and interfaces data to and from Marriott's PeopleSoft HRMS system. It also provides the ability to launch to the selection tool and results.	2011 pricing: <u>Global Posting and Talent Acquisition</u> • Global Posting US – Annual Rate of $225 per hourly associate. <u>Hourly eHiring and Applicant Tracking</u> • US Hourly e-Hiring – Annual Rate of $80.00 per hourly hire history for the immediately preceding year. • Non-USA Applicant	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

	Kronos Hourly e-Hiring tool works with the AonHewitt myHR suite and provides an end-to-end solution that enables the hourly staffing process for U.S. Included are: • Service Center Services • Recruiting Services – sourcing activities, background and reference checks. • Link to Job boards, Job and Career Opportunity Tool This service will be replaced by Taleo (executed by AonHewitt) in first quarter 2012, and MVWC and its Affiliates will continue to receive these Transition Services under the Taleo System unless otherwise cancelled by MVWC. I-Grasp is a stand-alone tool providing applicant tracking and on-line recruiting functionality for positions outside the U.S. • Posting of positions on regional specific job seeker sites and Marriott's career site • Job seekers apply on line • Administers assessment and allows human resources staff to track the progress of the applicant through the selection process. Provide e-Hiring Hourly Scorecard and Workforce Planning reports.	Tracking (I-Grasp) - Current Annual Rate of $743.00 per location. <u>Other charges</u> • Other charges to MVWC from direct contracts with MVWC vendors, including background checks, drug testing, and sex offender registry. Rates impacted by volume and may fluctuate. Annual inflation applies.	
	Transition upon termination or cancellation of Hourly e-Hiring System services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII, plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
Selection Assessment for Non-	Provide selection assessment tool for non-management positions.	2011 rate: $15 per hourly hire.	Up to 24 months from Effective Date.

management Applicants		Rates impacted by volume and may fluctuate. Annual inflation applies.	Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.
	Transition upon termination or cancellation of Selection Assessment for Non-management Applicants services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
Management - Global Posting	The Deploy tool works with the AonHewitt myHR suite and provides an end-to-end solution that enables the management staffing process via an online functionality. The tool tracks candidate and requisition activity. Non-US requisitions can also be created and approved. Included are: • Service Center Services • Recruiting Services – intake with recruiter, sourcing activities, applicant screening, interview scheduling, assessment administration, offer distribution, reference and background checks, hiring administration. The tools will be replaced by Taleo (executed by AonHewitt) in 2012 and MVWC and its Affiliates will continue to receive the Transition Services under the Taleo System unless otherwise cancelled by MVWC.	Global Posting US (United States) – Current Annual Rate of $578.00 per management (Exempt) associate. Global Posting US (United States) – Current Annual Rate of $225.00 per management (Non-Exempt) associate. Global Posting Non-USA - Current Annual Rate of $14.00 per management associate. • Other charges Other charges to MVWC from direct contracts with vendors including background checks, drug testing, and sex offender registry. Rates impacted by	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

		volume and may fluctuate. Annual inflation applies.	
	Transition upon termination or cancellation of Management - Global Posting services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs estimated to be $50,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
Management – Global Selection	The Global Management Selection Program is a suite of management selection assessments, new interview guides, and a new approach to interviewing and making hiring decisions.	Management Selection US and Non US: Annual Rate of $91.00 per management associate. Management Selection Interviewer Certification US and Non US Online certification required. $105.00 per enrollee. Rates impacted by volume and may fluctuate. Annual inflation applies.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.
	Transition upon termination or cancellation of Management - Global Posting services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Costs billed by third party vendors.	
Human Resources Business Process Management	Managing issues and changes that are identified, monitoring key results, and the day-to-day relationship between Hewitt subject matter experts and the Marriott Center of Expertise in areas of Talent Acquisition and Selection, Talent Management, Data Governance and Self Service, Reporting, and Communication. Tools, Systems, Processes, and 3rd party vendor operational	2011 charge: $47,257 per period. 2012 estimated charge: $25,961 per period.	Up to 24 months from Effective Date. Continued use of these systems is predicated on dependencies to other systems, tools, and interfaces.

relationships required to support:

Talent Acquisition & Selection.

- Hourly & management Talent Acquisition Tools
- Hourly & management Talent Acquisition Services
- Hourly & Management Talent Selection Tools

Talent Management

- Compensation & Benefits
- Learning
- Performance Management
- Workforce Planning
- Associate Engagement & Survey

Reporting and Testing

- Compliance Reporting currently provided, within data segregation parameters.
- MVWC Operational & Transactional Reporting currently provided, within data segregation parameters.
- Ad Hoc Reporting
- Testing Management Support

Data Management, Self-Service, & Project Management

- myHR website & Service Center
- Employee, Manager & HR Self-Service
- PeopleSoft HR Management System Data Management
- HR Data, Job Data, & Security
- Project Management for Large Initiatives
- Project Management Guidance
- Portfolio Management Reporting, Tools, & Services

	Transition upon termination or cancellation of Human Resources Business Process Management services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints and knowledge transfer.	Costs estimated to be $95,000 to MII plus costs billed by third party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
University Relations and Recruiting	Full life-cycle college recruiting support for property/site operations interns and management trainees (Management Development Program) from Marriott Tier I, II & III colleges/universities, as deemed appropriate by the Recruiting team, e.g., relationship management, sourcing, screening, interviewing, tracking those who MVWC decides to extend an offer to, coordinating placements, tracking interns.	2011 charge: $5713 per period.	Up to 24 months from Effective Date.
Talent Management Analytics and Solutions	The Talent Management Analytics and Solutions (TMAS) department develops and manages programs supporting critical areas of the employee lifecycle (selection/onboarding, development, and job satisfaction and engagement). TMAS develops and manages human capital management tools and programs to promote the workforce productivity and supports the execution of business operations. Additionally, TMAS follows professional standards in the development of tools and programs to ensure employee-related practices are designed to mitigate legal risk to the company. The services include: 1) Human Resources strategic planning and research, 2) Employee Selection and Performance Management Tools, 3) Employee Succession Planning and Development Tools, 4) Employee Engagement Surveys and	Current cost is $79,567 annual ($6,121.23 per period) for TMAS support Future cost after the Spinoff will be $14,650.00 per period.	Up to 24 months from Effective Date. Continued provision of these services is predicated on dependencies to other systems, tools, and services.

Research, 5) Job Analyses and Design, 6) Workforce Analytics and Human Resources Program Evaluation.		
Transition services to be provided by MII to MVWC upon termination or cancellation of Talent Management Analytics and Solutions services. Transition work includes separation of data for MVWC and separation of access as applicable based on tool constraints. These services are segmented into three areas: 1) Development Work, 2) Business as Usual Support, and 3) Transition/Hand-off Support *Development Work* MII TMAS will continue to develop new products and tools and support the MVWC organization during the implementation of those products and tools. Several key caveats are listed below to help clarify the nature of this support: • Products and tools scheduled for implementation on a date after the end of the Transition Period will not be supported for MVWC. MII TMAS will keep MVWC informed about such projects and as practical, provide technical information about the projects to assist MVWC should they decide to implement a similar product or tool on their own. • MII TMAS will consult with MVWC regarding new products and tools to determine the suitability and desirability of the new products and tools for MVWC.	Separation costs estimated to be $50,000 to MII to cover the cost of time to transfer knowledge and records to MVWC or a third party provider.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.

- MII TMAS will ensure that any new product or tool that will be implemented for MVWC is designed in such a way as to meet the functional, technical, and brand needs of MVWC.
- MII TMAS will not support the development of products or tools that have singular applicability to MVWC.

Specific examples of currently scheduled development work are listed below

1. Inclusion of MVWC in the Taleo applicant tracking system development and implementation, including the integration of MVWC-specific job descriptions and ACE pre-screening items. MII TMAS will support post-launch stabilization efforts for MVWC. Scheduled for deployment in 1st quarter of 2012.
2. Inclusion of MVWC in ongoing LPP development and upgrade work. Phased deployments scheduled starting in Q3 of 2011 and continued updates through 2012. TMAS cannot support MVWC-specific customizations in content, platforms, or processes. TMAS can provide current-state and developed future-state materials to MVWC for consideration as they potentially plan for an MVWC-specific LPP model.
3. Inclusion of MVWC with regard to updates to the Human Capital Review updates currently underway within the Success Factors platform (e.g., change management, training,

implementation support). Initial deployment scheduled for Q3 2011.

4. Inclusion of MVWC in planned validation and platform upgrade work associated with the DDI field management assessments. Scheduled to start in late Q2 of 2011, continuing into 2012 with platform updates scheduled for early 2013. This work will be completed on behalf of MVWC as long as TMAS is supporting Transition services at the time of the validation work.

Business As Usual Support

MII TMAS will provide continued business as usual support in such a way as to replicate current-state functionality. The degree to which MII TMAS can provide business as usual support will be partly dependent on the continued support provided by other MII Center of Expertise, namely Business Process Management (BPM). MII TMAS will provide business as usual support to MVWC following current protocols and procedures. In certain instances, MVWC may request a modification to the processes and procedures, but the extent to which MII TMAS will be able to accommodate such requests is dependent on the nature of the request and in some instances, changes to processes and procedures may not be feasible. Large-scale activities (e.g., ad hoc analysis of assessment results, revalidation of the Virtual Job Tryout) must be planned in advance with MII TMAS to ensure adequate resources are available to

adequately cover MVWC support needs and in some instances, prioritization of projects may result in some projects not being supported. MII TMAS will provide business as usual support for the areas outlined below.

1. Continued support of research, analytics, and validation for existing management and non-management selection tools including: APT hourly assessments, DDI Management Assessments, and Shaker VJT MVWC M&S assessments. This includes analyses of assessment performance and the Quality of Hire survey (so long as Quality of Hire is active for the overall Marriott Enterprise).
2. Assessment tool development/refinement support including planned and ad hoc assessment alterations designed to improve tool functioning or adapt tools to changing business requirements.
3. Continued Business as Usual support of the Hourly Performance Process (“HPP”) tool including the addition of new key actions to support new job positions. Continued inclusion of MVWC in “open calls” to support the Phase I and Phase II launches of HPP. Inclusion of MVWC in any HPP tool updates/upgrades including change management/implementation support.
4. Implementation of the 2012 Engagement Survey to include MVWC in the administration of that survey. Continued analytical support for MVWC leadership.

5. Continued support of occupation code management and job description creation activities, ranging from processing as-needed requests for new codes/descriptions to designing and implementing occupation code and/or job description restructuring projects.
6. Starting in 2012, inclusion of MVWC with regard to Taleo's recruiting tool, ACE, pre-screening item functionality analyses.
7. Continued inclusion of MVWC in ongoing Quality of Hire surveys.
8. Continued consideration of MVWC in enterprise-wide selection tool adverse impact analysis efforts.

Transition/Hand-off Support

The overarching goal of this agreement is to provide continued TMAS support to MVWC to avoid a disruption in human capital management processes and tools, allow MVWC to focus on developing a long-term human resources strategy, and work with MVWC to smoothly transfer organizational knowledge to MVWC with an emphasis on transitioning MVWC from current state into the to-be-developed long-term vision for MVWC human resources.

1. MII TMAS will consult with MVWC on an ongoing basis with regard to HR strategic planning for MVWC with an emphasis on clarifying the philosophical and historical

	roots of various MII human resource management tools and processes. 2. MII TMAS will provide MVWC with the technical support needed to transition all functions to the MVWC team prior to the end of the transition period. This transitional support includes helping MVWC understand the implications of removing, adding, or modifying tools and processes. 3. MII TMAS will train/educate MVWC persons with regard to the operation or functioning of any TMAS developed products and tools. 4. MII TMAS will make available to MVWC all product and tool documentation, specifically job analysis and assessment validation program results, so that MVWC can adequately evaluate the rigor of these cornerstone projects and support the continued use of the existing job descriptions and assessment tools.		
Talent Acquisition Center of Expertise– 3rd Party Recruiting Services	Oversee the execution of recruiting services for MVWC and working with the 3rd party vendor. This includes: Management and Hourly Recruiting Services on-going oversight, including monitoring the service level agreements metrics, reporting, implementing any necessary process changes due to new employment laws or process effectiveness efforts in partnership with MVWC Talent Acquisition function, escalating issues to the MVWC talent acquisition team as needed for resolution, etc.; launch of the enhanced hourly recruiting	2011 charges: $3,645 per period. Upon termination or cancellation, (i) a fee to MII estimated to be equal to a one-period transition fee to cover administrative and logistics costs resulting from extracting MVWC data, adjusting processes and realigning internal resources at the time of separation; and (ii) charges by third	Up to 24 months from Effective Date.

	services model (2012 Q1) as part of MII's overall launch plan and in partnership with the MVWC human resources team.	party vendors.	
Talent Acquisition Center of Expertise– Talent Acquisition systems oversight	Oversee the performance of the talent acquisitions systems and manage the relationship with the 3rd party vendors as part of MII's agreements with the vendors. This includes: (i) On-going oversight of the global talent acquisition system performance and functionality; (ii) On-going oversight of the existing non-US non-management talent acquisition system performance and functionality; (iii) Support of future enhancements.	2011 charges: $3,040 per period. Upon termination or cancellation, (i) a fee to MII estimated to be equal to a one-period transition fee to cover administrative and logistics costs resulting from adjusting processes and realigning internal resources at the time of separation and (ii) charges by third party vendors. Note: Any MII Talent Acquisition costs to support the launch of the new talent acquisition system (Taleo) in January of 2012 will be charged separately as part of the overall project allocation; and additional charges to support the replacement of the non-U.S. non-management system (iGRasp) for non-management positions across non U.S. locations (2012-2013) are not included and will apply.	Up to 24 months from Effective Date.
Associate Engagement Survey Software Tool	Engagement Survey provides associates with a confidential means to give feedback on the work environment and indicate their level of engagement. It also provides a	2011 charge: $7.75 per participant/registrant per survey. Rate is impacted by	Up to 24 months from Effective Date. Continued

	reporting mechanism for managers to review the results of their organization's results. Current Systems and tools will be retained as is during the current contract with AonHewitt. Survey tool is a standalone tool. Service Center – provides call center support.	volume and may fluctuate.	provision of these services is predicated on other systems, tools, and interfaces.
	Transition upon termination or cancellation of Talent Management Analytics and Solutions services. Transition work includes separation of data for the new company and separation of access as applicable based on tool constraints.	Estimated costs of $15,000 to MII plus costs from 3rd party vendors.	Reasonable time following cancellation or termination in order to transition to a new MVWC solution.
MII Internal Communications (infrastructure and content) relating to MII's key internal communications vehicles	MII Weekly Update – MII to provide support of and coordination with MVWC of content to MVWC for the Weekly Update. The MII Weekly Update editor will provide the MVWC Weekly Update editor with one copy of the "final" MII Weekly Update on Friday afternoons of each week by 2:00 pm Eastern time. The MVWC Weekly Update editor can then determine if the content is appropriate for MVWC's audience.	No charges to MVWC.	Up to 24 months from Effective Date.

Exhibit 10.10

INFORMATION RESOURCES
TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this "Agreement"), signed November 17, 2011, effective November 19, 2011 (this "Agreement"), by and between MARRIOTT INTERNATIONAL, INC., a Delaware corporation, on behalf of itself and its Affiliates (as defined herein) ("MII"), and MARRIOTT VACATIONS WORLDWIDE CORPORATION, a Delaware corporation, on behalf of itself and its Affiliates (as defined herein) ("MVWC").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement, dated November 17, 2011 (the "Separation Agreement"), between MII and MVWC, MII has agreed to distribute all of the issued and outstanding common shares of MVWC to the shareholders of MII on a pro rata basis, subject to the terms and conditions therein (the "Spinoff").

WHEREAS, in connection with the Spinoff, MII and MVWC have agreed that MII or its Affiliates shall provide MVWC and its Affiliates with certain services on a temporary basis after the Closing; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Separation Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MII and MVWC agree as follows:

1. Transition Services. For a period commencing as of 12:01 AM on November 5, 2011 ("Service Commencement Date") and continuing until the second anniversary of the Service Commencement Date (the "Transition Period") (unless (a) an expiration date is specified for a particular service on the applicable Services Exhibit, effected in accordance with the terms hereof, (b) MVWC requests an extension for a Transition Service through the end of calendar year 2013, provided that such extension is not prohibited by the terms of a third party agreement, (c) MII is prohibited by the terms of a third party contract from providing a Transition Service or Transition Services to MVWC for the Transition Period, in which case MII shall provide notice to MVWC of the shortened transition period, if any, or (d) otherwise agreed to by the parties), MII shall provide, or cause its Affiliates to provide, to MVWC and its Affiliates the services described the services exhibits ("Services Exhibits") hereto (collectively, the "Transition Services"). Unless otherwise agreed, such Services shall be provided at the charges set forth in the Services Exhibits. The cancellation of one category of Transition Services shall not operate to cancel or otherwise affect the remaining Transition Services, it being understood that some Services are bundled and cannot be cancelled separately. To the extent possible, the cancellation of a Transition Service shall be effected at the end of a MII Accounting Period. MVWC may use the Transition Services for its own internal business purposes, consistent with the terms of the underlying agreement between MII and the applicable product/service vendor, and may not resell the Transition Services or otherwise make them available for use by third parties.

2. Standard of Service. MII will provide, or cause to be provided, the Transition Services in accordance with MII's standard policies, procedures and practices in effect immediately prior to the date hereof, as the same may be changed from time to time, and the Services Exhibits. In providing the Transition Services, MII shall at all times exercise the same care and skill it exercises in performing like services for itself and other third parties, including franchisees. Except as provided in the preceding sentence, the Transition Services are provided on an "AS IS" basis.

3. Termination of Service(s). MVWC may cancel any Transition Service(s) upon not less than one hundred twenty (120) days' prior written notice, unless a different period is provided for in the Services Exhibits. In order to terminate a Transition Service prior to the end of the Transition Period or the date set forth in the Services Exhibits, MVWC shall submit to MII a completed Service Termination Form, in the form attached hereto in the Services Exhibits. The completed Service Termination Forms shall be submitted to Gregory Miller, SVP, Finance, Global Information Resources at Gregory.Miller@marriott.com, or such other individual as MII may designate in writing. The parties agree to coordinate termination of any Transition Services in order to minimize any fees associated with termination. In the event that MVWC's early termination of a Transition Service causes a termination fee to be due to a third party vendor, MVWC agrees to be responsible for such fee, provided that MVWC was advised of such termination fee at least fifteen (15) business days prior to effectiveness of such termination and did not withdraw its request for termination. In the event MVWC's revocation of a Service termination is rejected by a third party vendor, MVWC shall be responsible for any applicable termination fees.

4. Billing and Payment.

(a) MVWC will pay the costs set forth in the Services Exhibits for the Transition Services provided pursuant to Section 1 of this Agreement during the Transition Period. Where no fees are set forth in *Exhibit A*, MII or one of its Affiliates shall bill MVWC for the Transition Services at the times and in the manner as such billing is made immediately prior to the Closing Date and using the cost methodology in place prior to the Closing Date (but not necessarily at the same cost), which may change from time to time for all users of the Transition Service, but in all cases allocated to MVWC on a fair and reasonable basis, and MVWC shall pay MII at the times and in the manner as payment is customarily made prior to the Closing Date, in each case unless otherwise specified in the Services Exhibits, but in no event shall any payments be made more than thirty (30) days after the invoice date; provided further, that if a portion of the costs for any Transition Services are attributable to the development of systems enhancements with a total cost of $5 million or more, (i) if such systems enhancements are not intended to become effective during the Transition Period, MVWC shall not be allocated any costs for such systems enhancements, and (ii) if such systems enhancements become effective before the end of the term during which the related Transition Services are provided under this Agreement, then MII and MVWC shall discuss and agree on a reasonable allocation of such costs to MVWC taking into consideration the remaining term of the provision of the related Transition Services hereunder. Notwithstanding the foregoing, payments made by MII to third parties (or MVWC employees) on behalf of MVWC or its Affiliates will be drawn by MII directly from MVWC bank accounts which MVWC shall keep funded with sufficient amounts to

enable MII to make such payments. If MVWC fails to make any such payments of fees or expenses which MII was to use for payment to third parties (or MVWC employees), MII shall not be required to advance or use any of its own funds to make any such payments. Any payments not made by MVWC to MII when due shall bear interest, computed daily, from the date due to the date of payment based on the annual percentage rate equal to the Prime Rate, plus three percentage points (3%). "Prime Rate" means the "rate" that Citibank, N.A. (or its successor entity) publishes from time to time as its prime lending rate in effect from time to time. MII shall be entitled to the costs of collecting any overdue amounts including reasonable attorneys' fees and expenses.

(b) Termination-Related Services and Payments. In connection with the termination of the provision of any Transition Services by MII hereunder, whether at the end of the term of this Agreement or earlier, MII shall provide commercially reasonable services and assistance to transition such services to MVWC or a third party provider, including such termination services as may be described in the Services Exhibits (as described herein, the "Termination Services"). Except as otherwise provided in a Services Exhibit, with respect to the Termination Services: (i) MII shall make available to MVWC such books and records (subject to MII's reasonable records retention policies) as will be needed by MVWC to prepare the accounting statements for the Transition Services for the accounting period of MVWC in which the termination of the Agreement occurs and for any subsequent periods, (ii) MII shall use commercially reasonable efforts to facilitate the orderly transfer of all information contained within such books and records from MII's systems to MVWC's or a successor's systems, provided MII shall not be required to transfer any information that is confidential and/or proprietary to MII, (iii) MII acknowledges and agrees to provide MVWC all such data, books, and records, in such forms and electronic formats as agreed by MI and MVCW, and (iv) MII shall, within ninety (90) days after termination of this Agreement, prepare and deliver to MVWC a final accounting statement with respect to the Transition Services. MVWC shall have no obligation to reimburse MII for any costs relating to data retention or storage by MII for legal, regulatory or other purposes.

MVWC shall reimburse MII for (i) any out of pocket costs incurred by MII or its Affiliates in providing the Termination Services, (ii) any costs and expenses of employees of MII or any Affiliate that are allocated to a fund or specified payment source (for the avoidance of doubt, MVWC is not responsible for internal costs incurred by MII, and not allocated to such a fund or specified payment source, that otherwise would have been incurred if the Termination Services were not provided), in providing Termination Services, and (iii) severance and other termination payments made by MII or its Affiliates for the termination of employment of employees of MII or its Affiliates (if any), it being understood that MVWC shall only be responsible for such severance and termination costs as are mutually agreed to by MII and MVWC with respect to employees of MII or its Affiliates that are primarily engaged in providing Transition Services (for the avoidance of doubt, MVWC is not responsible for severance and other termination payments made by MII for the termination of employees of MII or its Affiliates that were not primarily engaged in providing Transition Services to MVWC).

5. Access. Each party shall make available on a timely basis to the other party and its Affiliates, as applicable, all information and materials reasonably requested by such Persons to enable them to provide or receive the Transition Services. Each party shall give the other party and its Affiliates, as applicable, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of such party and its Subsidiaries and their respective personnel for the purposes of providing or receiving the Transition Services.

6. Subcontracting. To the extent necessary or desirable to perform the Transition Services, MII or its Affiliates, as applicable, may subcontract any part of such services; provided, however, MII will continue to be responsible for its obligations under this Agreement on behalf of itself and any subcontractors of MII or its Affiliates. MII or its Affiliates, as applicable, shall be responsible for all payments to such subcontractors.

7. Taxes. MVWC will pay all applicable taxes (including, without limitation, sales, use, services, value-added, and other such transaction-based taxes), duties, and tariffs and all other taxes or charges imposed on the provision of the Transition Services by MII or its Affiliates, as applicable, except for taxes based on net income of MII or its Affiliates. If any such taxes are levied on MII or deducted from amounts otherwise due to MII hereunder, MVWC shall "gross up" the payments to MII so that the net amount received by MII is equal to the amount required to be paid to MII hereunder.

8. Firmware or Software. MVWC acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, and the licenses therefor which are held by MII or its Affiliates, as applicable, by reason of the provision of the Transition Services provided hereunder, except to the extent that any such license rights or rights of use are provided for in a written agreement signed by MII and MVWC.

9. Security. Each party shall maintain reasonable, current security measures to prevent unauthorized access to its systems. Such measures shall in no event be less stringent than those used to safeguard such party's own property, or industry standard security measures used by companies of a similar size. Such measures shall include, where appropriate, use of updated firewalls, virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches, virus definitions and other updates. Each reserves the right to terminate the Agreement, in its sole discretion and without limitation or termination liability, if the other party remains in breach of this section five (5) business days after receipt of notice of such breach. Each party acknowledges that the security measures used by the other party as of the effective date of this Agreement are in compliance with this Section.

10. "Personally Identifiable Information," includes any information that can be associated with or traced to any individual, including an individual's name, address, telephone number, e-mail address, credit card information, social security number, or other similar specific factual information, regardless of the media on which such information is stored (e.g., on paper or electronically) and includes such information that is generated, collected, stored or obtained as part of this Agreement, including transactional and other data pertaining to users. MVW will comply with all applicable privacy and other laws and regulations relating to protection, collection, use, and distribution of Personally Identifiable Information. In no event may MVW

sell or transfer Personally Identifiable Information to third parties, or otherwise provide third parties with access thereto. If there is a suspected or actual breach of security involving Personally Identifiable Information, MVW will notify MII's Information Protection and Privacy Department at privacy@marriott.com within two (2) hours of a management-level associate becoming aware of such occurrence.

11. Relationship of Parties. In providing the Transition Services, MII and its Affiliates, as applicable, shall act under this Agreement solely as independent contractors and not as agents or partners of MVWC. All employees and representatives providing the Transition Services shall be under the direction, control and supervision of MII and its Affiliates, as applicable (and not of MVWC) and MII and its Affiliates, as applicable, shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of MVWC. Except as specifically provided herein, neither party shall act or represent or hold itself out as having authority to act as an agent or partner of the other party, or in any way bind or commit the other party to any obligations. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, agency, trust or other association of any kind, each party being individually responsible only for its obligations as set forth in this Agreement. Without limiting the foregoing, no services provided under this Agreement shall be construed as legal, accounting or tax advice or shall create any fiduciary obligations on the part of MII or any of its Affiliates to MVWC or any of its Affiliates, or to any plan trustee or any customer of any of them.

12. Force Majeure. No party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement when such interruption, delay or failure is due to causes beyond its reasonable control, including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, embargo, fuel or energy shortage, fire, flood, acts of God, or general inability (not specific to the claiming party) to obtain necessary labor, materials or utilities. In any such event, the claiming party's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof and the claiming party shall have no liability to the other party in connection therewith. The claiming party will promptly notify the other party, in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the claiming party will use reasonable commercial efforts to resume its performance promptly. The other party shall have no monetary liability to the claiming party for Services impacted as a result of such event that would otherwise be attributable to the period during which such Services are impacted. Any costs associated with the claiming party's re-establishment of Services shall be the sole responsibility of the claiming party.

13. Termination. This Agreement shall terminate on the earliest to occur of (a) the latest date on which any Transition Service is to be provided as indicated in the Services Exhibits, (b) the date on which the provision of all Transition Services has terminated or been canceled pursuant to Section 3, (c) the date on which this Agreement is terminated pursuant to Section 14, and (d) the date on which the Termination Period expires. Sections 4, 7, 8, 10, 11, 15, 16 and 21 shall survive any termination of this Agreement.

14. Breach of Agreement. In the event a party receives a notice under this Section alleging a breach of this Agreement, such party shall use commercially reasonable efforts for the

following ten (10) Business Days to cure such breach or respond that it is not in breach. For purposes hereof, an "Event of Default" shall mean a party's failure to comply in all material respects with its obligations hereunder which failure remains uncured for a period of ten (10) Business Days following such party's receipt of written notice of such failure. In the event of an Event of Default, the non-defaulting party may terminate this Agreement immediately by providing written notice of termination. The failure of a party to exercise its rights hereunder with respect to a breach by the other party shall not be construed as a waiver of such rights nor prevent such party from subsequently asserting such rights with regard to the same or similar defaults.

15. Disclaimers; Indemnification; Limitation of Liability.

(a) EXCEPT AS SET FORTH IN SECTION 2, MII DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CUSTOM OR USAGE IN THE TRADE, IN CONNECTION WITH THE PROVISION OF THE TRANSITION SERVICES UNDER THIS AGREEMENT.

(b) With regard to any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, "Losses") arising out of a breach of MII's obligations in connection with the provision of Transition Services under this Agreement, other than Losses arising as a result of the fraud or willful misconduct of MII or covered under a MII indemnity under Section 15(d), MII's sole liability for such Losses shall be to use reasonable commercial efforts to re-perform, or cause its Affiliates to re-perform, such services. MVWC shall promptly advise MII of any such breach of which it becomes aware.

(c) MVW Indemnity. MVWC agrees to indemnify, defend and hold harmless MII and its respective officers, directors, employees, agents, successors, and assigns, from any Losses resulting from Third Party Claims arising hereunder from (i) MVWC's breach of its obligations with respect to Confidential Information, Personally Identifiable Information or security under this Agreement, (ii) MVWC's violation of applicable laws, rules, regulations, ordinances, orders, and directions of federal, state, provincial, county, and municipal governments, all as they may be amended from time to time, (iii) MVWC's failure to comply with comply with the Payment Card Industry Data Security Standard and any other credit card company specific security requirements (collectively, "Credit Card Company Regulations") (iv) the infringement by MVWC of a third party's intellectual property rights, or (v) MVWC's fraud or willful misconduct. In addition, in the event of MVWC's breach of its obligations with respect to Personally Identifiable Information under this Agreement, MVWC shall indemnify, defend and hold harmless MII for any and all costs and expenses related to notification of affected individuals and procurement of credit protection services for such individuals for a defined period.

(d) MII Indemnity. MII agrees to indemnify, defend and hold harmless MVWC and its respective officers, directors, employees, agents, successors, and assigns, from any Losses

resulting from Third Party Claims arising hereunder from (i) MII's breach of its obligations with respect to Confidential Information or security under this Agreement, (ii) MII's violation of applicable laws, rules, regulations, ordinances, orders, and directions of federal, state, provincial, county, and municipal governments, all as they may be amended from time to time, (iii) MII's failure to comply with any Credit Card Company Regulations, (iv) the infringement by MII of a third party's intellectual property rights, or (v) MII's fraud or willful misconduct. For purposes of subsection (c) above and this subsection (d), "Third Party Claims" shall mean all claims or threatened claims, civil, criminal, administrative, or investigative action or proceeding, demand, charge, action, cause of action or other proceeding asserted against a party hereto and brought by a third party.

(e) EXCEPT FOR ITS OBLIGATION TO COMPLY WITH SUBSECTION (d) ABOVE, MII SHALL NOT BE LIABLE FOR ANY LOSSES IN CONNECTION WITH THIS AGREEMENT. IN ADDITION TO ITS OBLIGATIONS ABOVE, MVWC AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MII AND ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ("INDEMNIFIED PERSONS") FROM ANY CLAIMS ASSERTED, OR ASSOCIATED LOSSES, BY OR ON BEHALF OF THIRD PARTIES OR WHICH RESULT FROM GOVERNMENTAL ACTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT SHALL A PARTY OR ITS AFFILIATES OR AGENTS BE LIABLE TO ANY INDEMNIFIED PERSON FOR LOSS OF PROFITS, LOSS OF BUSINESS, OR LOSS OF DATA, OR FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR OTHER INDIRECT DAMAGES, IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH DAMAGES ARE AWARDED AND REQUIRED TO BE PAID BY AN INDEMNIFIED PERSON TO A THIRD PARTY PURSUANT TO AN ORDER OF A GOVERNMENTAL AUTHORITY.

(f) The party required to indemnify pursuant to this Article (the "Indemnitor"), upon demand by a party ("Indemnitee"), at Indemnitor's sole cost and expense, shall resist or defend such Claim (in the Indemnitee's name, if necessary), using such attorneys as the Indemnitee shall approve, which approval shall not be unreasonably withheld. If, in the Indemnitee's reasonable opinion, there exists a conflict of interest which would make it inadvisable to be represented by counsel for the Indemnitor, the Indemnitor and the Indemnitee shall jointly select acceptable attorneys, and the Indemnitor shall pay the reasonable fees and disbursements of such attorneys.

(g) The foregoing provisions of this Article set forth the full extent of the parties' liability (monetary or otherwise) under this Agreement for any and all Losses.

16. Confidentiality. Each party agrees to treat, and to cause its employees and agents to treat, confidentially all non-public records and other information received hereunder with respect to the other party that the receiving Party knew or reasonably should have known was confidential because it derives independent value from not being generally known to the public (collectively, "Confidential Information"). Specifically, each party agrees that it will, and will cause its employees and agents to, during the term of this Agreement and thereafter (except where required by law or court order or administrative agency order or subpoena): (a) retain all Confidential Information of the other party in confidence; (b) not disclose any Confidential

Information to any third party without the permission of the other party, except as required by Law; (c) not use any Confidential Information of the other party for any purposes other than performing its obligations under this Agreement or any other agreement signed between the parties; (d) limit access to the Confidential Information of the other party to those employees, subcontractors and agents who have a need to know such information for the business purposes of this Agreement, and maintain reasonable arrangements to protect confidentiality satisfactory to the other party with such party's employees and agents having access to such Confidential Information and with third parties having any access to such Confidential Information; and (e) ensure that all tangible objects and copies thereof in such party's possession or under its control containing or imparting any Confidential Information of the other party shall be returned to the other party at any time upon the request of the other party or upon termination of this Agreement.

17. Audits.

(a) Compliance Audits by MII. Upon notice from MII, MVWC shall provide MII, its auditors (including internal audit staff and external auditors), inspectors, regulators and other reasonably designated representatives as MII may from time to time designate in writing (collectively, the "MII Auditors") with access to, at reasonable times, to any MVWC facility or part of a facility at which MVWC is using the Services, to MVWC personnel, and to data and records relating to the Transition Services for purposes of verifying compliance with this Agreement. MII audits may include security reviews (including MVWC's completion of security related questionnaires) of the Transition Services and MVWC's systems, including reasonable use of automated scanning tools such as network scanners, port scanners, and web inspection tools. MVWC will provide any assistance that MII Auditors may reasonably require with respect to such audits. Upon notice from MVWC, MII shall provide MVWC and its auditors with access to, at reasonable times, books and records relating to the Transition Services or this Agreement in order for MVWC to comply with applicable laws or regulations.

(b) Audits by MVWC. MVWC shall have the right, upon at least thirty (30) days written notice to MII, and in a manner to avoid interruption to MII's business, to perform audit procedures over MII's internal controls and procedures for payroll processing and other Services provided by MII under this Agreement; provided that, such audit right shall exist solely to the extent required by MVWC's external auditors to ensure MVWC's compliance with the Sarbanes-Oxley Act of 2002, to determine if MVWC's financial statements conform to Generally Accepted Accounting Principles (GAAP) or to the extent required by governmental agencies. MII shall provide MVWC and MVWC's auditors with appropriate space, furnishings, and telephone, facsimile and photocopy equipment as MVWC or MVWC's auditors may reasonably require to perform such audit procedures. MII shall consider in good faith, but shall not be obligated to make, changes to its controls and procedures to address any findings of such audits. MVWC shall pay or reimburse all of MII's incremental costs arising from all such audit-related activities, provision of space, furnishings and equipment, and analysis and implementation, if any, of any potential changes in MII's controls or procedures described in this Section 17(b).

(c) Audit Reports. MVWC shall be entitled to request, upon reasonable notice to MII, and MII shall provide a copy of its most recent SSAE 16 audit report, if any, performed by MII, or MII's auditors, at the same cost as MII charges its hotel franchisees.

18. Resolution of Disputes. The Parties shall resolve any disputes with respect to the Transition Services on an informal basis in accordance with this Section.

(a) The Party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other Party. The Parties shall use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the Parties at the successive management levels set forth below:

Level	MII	MVWC
Level 1	Vice President, Information Resources	Senior Director, Vendor Management
Level 2	Senior Vice President, Finance, Global Information Resources	Vice President, Infrastructure Services
Level 3	Chief Information Officer	Chief Information Officer

(b) The negotiators at each management level shall have a period of ten (10) business days in which to attempt to resolve the dispute, unless otherwise agreed to by the Parties. The allotted time for the first-level negotiation shall begin on the date of receipt of the Invoking Party's notice. If a resolution is not achieved by negotiators at the first level at the end of the allotted time, then the allotted time for the negotiations at the next management level shall begin immediately. In the event the dispute remains unresolved after completion of this escalation process, the Invoking Party may require reperformance of any Transition Service alleged not to be provided in compliance with this Agreement or may terminate the Transition Service in dispute pursuant to the termination provisions of this Agreement.

19. Modification of Procedures.

(a) Modification by MII. MII may make changes from time-to-time in its practices and procedures for performing the Transition Services. Notwithstanding the foregoing sentence, unless required by law, MII shall not implement any substantial changes affecting MVWC or its Affiliates unless:

(i) MII has furnished MVWC notice (the same notice MII provides its own business) thereof;

(ii) MII changes such practices and procedures for its own business units at the same time; and

(iii) MII gives MVWC a reasonable period of time for MVWC (i) to adapt its operations to accommodate such changes or (ii) reject such changes. In the event MVWC fails to accept or reject a proposed change on or before a reasonable date specified in such notice of change, such failure shall be deemed to be acceptance of such change. In the event MVWC rejects a proposed change but does not terminate this Agreement, MVWC agrees to pay any reasonable expenses resulting from MII's need to maintain different or multiple

versions of the same systems, procedures, technologies, or services or resulting from requirements of their third party vendors.

(b) Modification by MVWC. In the event MVWC makes a change to its technology environment, software or hardware that renders MII incapable of providing the Transition Services or MVWC incapable of using the Services, MII's performance with respect to such affected Transition Service(s) shall be excused until MVWC has modified its technology to correct the problem.

20. Definitions. The following terms shall have the following definitions for all purposes of this Agreement:

(a) "Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power: (i) to vote fifty percent (50%) or more of the voting stock or equity interests of such Person; or (ii) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock or equity interests, by contract or otherwise.

(b) "Person" shall mean any individual, partnership, corporation, limited liability company, association, trust, trustee, joint venture, government entity or department or agency thereof, business entity, or other entity of any kind or nature.

21. Miscellaneous. The following sections of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 21 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement): Articles XIII (Further Assurances), X, XI, and XII. In the event of a conflict between such incorporated sections and the terms of this Agreement, the terms of this Agreement shall govern.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first set forth above.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Kevin M. Kimball
Name: Kevin M. Kimball
Title: Vice President

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Ralph Lee Cunningham
Name: Ralph Lee Cunningham
Title: Executive Vice President

Exhibit A
Transition Services

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7650	RMA 23, RMA 43	S:Windows Server Processing	Direct charge to users, primarily IR and MVCI, based on server configuration.	Support cost for the Windows Domain Controller servers at the hotel. The servers provide local authentication and Domain Name Service (DNS) and Windows Internet Name Service (WINS) to translate IP addresses and internet addresses to help locate and connect computers. Costs include hardware and software support and maintenance for the Windows Domain Controller servers located at the property.	T
7652	IR 7	S:UNIX & LINUX Processing	Direct charge to users, primarily IR and MVCI, based on server type and configuration.	This service includes the hardware, software, maintenance and support costs for the Windows servers. Applications utilizing this service benefit from the maintenance & support of the Windows environment provided by Information Resources Shared Services as well as the functionality of the NT environment itself, network connectivity of the server and Operating System & core software upgrades.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7626	MI LIST 146	S:Business Recovery Services	Allocates primarily to IR and MVCI based on number of servers. Allocation to Marriott.com, MBS Financials, ExecuStay and Blackberry is based on specific circuit, lease and software costs.	This Service includes the cost of providing disaster recovery capabilities for key systems infrastructure. Applications such as MARSHA (Marriott Automated Reservations System for Hotel Accommodations), Mainframe MVS (Multiple Virtual Storage), MBS (Marriott Business Services), and other business critical processes have contracts for a recovery infrastructure environment including network, processing and storage components should services from the Marriott Computing & Network Center (MCNC) be interrupted for a period expected to exceed 24 to 48 hours. Services are provided at Marriott's Recovery and Disaster Center (RDC).	T
7771	MI LIST 174	B:Enterprise Architecture Standards and Governance	Allocates 21% to MVCI and 79% to IR Division Admin based on expected services provided.	Architecture Review Services manages a formal governance process to create alignment between specific projects and the established Enterprise Architecture Framework in order to improve the quality and agility of Marriott's overall Information Resources systems and align with Marriott's business goals and objectives for Marriott Vacation Club International (MVCI). The reviews identify architecture concerns early, reducing the cost and risk of later changes. Over time, the reviews will focus on increased reuse of Marriott International approved technologies and standard processes resulting in more efficient customer focused processes and lower technology costs for MVCI.	T
2115	MBS 23, MI LIST 27	B:Mosaic Support	Allocates to MVCI, IR, and A&C based on the number of users.	Mosaic is used to manage costs throughout project lifecycles. Mosaic is used by MVCI and IR departments for: Weekly time entry by associates; Tracking approved projects; Building project teams and defining project activities; Viewing detailed reports that include financial, accounting, Capex, and KPI data.	T

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INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7697	MI LIST 143	S:Enterprise Storage	Direct Charge to numerous users - tiered rate structure based on 12 storage types.	The costs associated with the hardware, software, maintenance and support required for storing data on the mainframe. The data is backed up nightly with copies of the data stored offsite. The service includes database administration support for the data.	T
7315	IR 36	S:Cognos Reporting	Allocates to 8 Applications defined as Large or Small based on usage, primarily to MRDW, MVCI/RC - Mystique, MVCI - Solar Prophecy, PCDW, Sales Decision Support & SRW (CI)	This service includes the hardware, software, maintenance and support required for the Cognos Reporting tool. This product is an Enterprise web-based reporting application which stores various types of reports and allow users to access reports through online reporting.	T
7609	RMA 44, IR 160, RMA 24, RMA 46	S:MCN II	Allocates $650K to 2 IR depts (Marriott.com and HQ DNS). Direct Charge of remainder to users based on 25 cost components and several tiered rates based on actual throughput measurements.	MVCI (Marriott Vacation Club International) properties and sites that require MPLS (Multi Protocol Label Switching) MIS (Managed Internet Service) Circuits to connect and access Marriott applications at MCNC (Marriott's Computing and Network Center).	T
7732	IR 15	S:Secure Distributed Proxy	Allocates to applications classified as Heavy or Light based on usage, primarily to MVCI, IR and MBS	This Service includes the cost of providing enterprise level security capabilities for key systems both at the Marriott Network and Computing Center as well as the systems located at the properties.	T
7331	MI LIST 28, IR 44	B:Remap Support	Allocates to MVCI and A&C based on the number of users, storage, and module usage.	Support for Supply Chain PeopleSoft and Project Costing Data Warehouse (PCDW).	T

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INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7655	IR 10, RMA 10	S:Corporate eMail	Direct Charge of $3 per mailbox for e-mail gateway services.	This service applies to any remote/field location that maintains an email server on-site that is connected to the Marriott email system for Marriott Vacation Club International (MVCI). This service provides the connection of the email server located at an MVCI property and the Marriott email system located at the Marriott Computing and Network Center (MCNC). Included with this connection is the Marriott Global Address Listing which can in turn be accessed by field users on their own MVCI Managed Email server located at an MVCI property. Includes Gateway Services, Spam Filtering, and MessageOne. Gateway Services and Spam Filtering will be provided until January 3, 2012, after which MVWC must move to an MVWC-chosen service to provide Gateway and Spam Filtering services. MessageOne will continue to be provided by MII beyond the January 3, 2012 date. This service does not apply to the day-to-day support of any email servers housed at MVWC locations.	T
2195	IR 11	F:Access & Authentication Fund	Direct Charge to users. Rate: $2,000 per period per user.	The systems that provide protection and allow a restricted set of users to authenticate to and access your website are Tivoli Access Management (TAM) and Enterprise Directory Services (EDS). This charge represents the usage of these services.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7751	RMA 32, RMA 34, RMA 50, OS 40	S:PC Engineering and Software	Per-PC rate charged to 9 different user groups, each with a different rate per PC based on which services each user group uses (e.g., Help Desk component is charged to FOSSE for CFRST hotels, Chain Services for MHRS hotels and is included in this direct charge for International and Ritz Carlton locations).	Cost of personal computer (PC) engineering and maintenance for MVCI properties for the use of desktop or laptop computers. This cost includes: standard Marriott desktop software (licenses, maintenance), hardware, labor, and shared information resources usage costs for standard imaging of desktop and laptop computers. The software protects the users' computer from viruses, maintains the PC's hardware and allows Information Resource associates to assist in trouble shooting issues with the computer. Costs are distributed to hotels based on the number of PCs at the property.	T
7344	IR 13	S:SOA Data Power	Data Power allocates to 12 applications based on type of service: Service Provider or Consumer.	The Service Orientated Architecture (SOA) infrastructure will allow for consistent deployment, management and interfaces among services within the Marriott service portfolio.	T
2130	IR 9	S:MI Connector	Direct charge to users with MI Connector accounts: - $8 per user/period.	MI Connector maintenance costs provide secure remote access to Marriott's network from remote locations (examples include airports, wireless internet spots, home). MI Connector allows users to connect to Marriott via Dial up, ISDN (Integrated Services Digital Network), Broadband (Cable, DSL), WiFi (Wireless Internet Connection), and laptops with Cellular PCMCIA (Personal Computer Memory Card Int'l Assoc) cards. Costs are distributed to hotels each period based on users with MI Connector accounts.	T
PMCR	IR 21	MICROS Maintenance		Cost for MICROS point of sale maintenance support agreement (MSA), which covers hardware maintenance services, PC software recovery services, and telephone support. Cost is based on the vendor invoice amount.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
1971	RMA 31	S:Internet Content Filtering	Direct charge to Websense-licensed properties ($1.19 per license per period) and a portion allocates to 2 IR depts: Thin Client ≈$103K and HQ Desktop and Network Services ≈$59K.	Cost for a Websense license, which is an internet content filtering application. Websense supports Marriott security standards and appropriate use of the company's internet as well as block access to any site that is not permitted in accordance with Marriott International Policy, Electronic Communications and Information Security Manual, and Internet Access Policy. The internet filters are used to block criminal activity on the internet, eliminate offensive content being displayed on associates' personal computers (PC) and workstations, and conserve bandwidth. Websense will identify and block web sites containing virus and spyware infected files that may be harmful to PCs and the network should they be downloaded. The cost to the hotel is based on the number of licenses requested.	T
1863	IR 21	B:Micros 9700	Direct Charge to participating Domestic and International hotels based on a rate of $240/period.	Period cost for management and support of the vendor supplied MICROS 8700/9700 Point of Sale (POS) hotel application used for processing food and beverage orders and retail sales. Support costs include labor, software, hardware and computing costs. Costs are distributed based on hotel participation.	T
1954	MI LIST 150	R:POS Installations	Direct charge to property based on time and material.	Installation costs of Micros Point of Sale system (POS). Micros POS hotel application is used for processing food and beverage orders and retail sales. Installation costs include labor, software, hardware and computing related costs. The cost is based on the actual installation cost incurred per hotel.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7769	OS 35, IR 75	S:BPA Connector	Direct charge to users with BPA (Business Partner Access) accounts - $42 per user/period.	Cost for a Business Partner Access (BPA-Connector) account, which provides MI's Business Partners (vendors and franchisees) with real-time access to above-property and property-based systems and applications. The BPA connection point is accessible via the Internet (web browser) and allows for real-time high-speed access to property management systems and applications. Cost is based on the number of users at the hotel.	T
2114	RMA 45	B:eTrack Support	Direct Charge to numerous applications based on a Power user ($160) or Casual user ($62) designation.	The application eTrack is the Call Center and System Change (MCCSC) application which provides an enterprise wide contact management and call tracking tool to record end user calls to the Help Desk. A Power User is defined as someone who uses the system as a primary work tool. All other users are defined as Casual Users. Support costs include labor, software, hardware and computing related costs. Costs are distributed to the hotel based on the user type.	T
7325	IR 45	S:OnDemand Reporting	Direct Charge to users of 2 components: $1,475 per application and $16 per folder rate.	OnDemand infrastructure is an Enterprise web-based reporting application which stores various types of reports and allows users access to these reports at any time. Hotels benefit from ease of online reporting, with functionality including reading, printing and downloading reports to Microsoft Excel. Hotels request folders to store their frequently used reports or batch reports. Costs are distributed on a per folder basis and include server storage, security services and application support.	T
7664	IR 28, MI LIST 147, MI LIST 148	S:Property Distr System Support	Allocates primarily to FOSSE and FS PMS and Direct Charge of 3 components based on server counts.	This service provides proactive monitoring of field server hardware and operating systems which run critical business applications. Support cost includes software licenses, labor, and company-wide basic infrastructure and security. Costs are distributed based on the number of participating hotels.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7686	MI LIST 151	R:FSPMS AIX 7.x Upgrade	Direct Charge to participating hotels at time of installation based on estimated total project costs.	This is a security deployment to upgrade to a vendor supported level of AIX (Advanced Interactive eXecutive) of the full service property management operating system, upgrading from version 5 to version 7.	T
2094	RMA 27, IR 52, MI LIST 149	I:International PCI	Direct charge to International hotels based on available room count.	Payment Card Industry (PCI) data security standard implementation managed by Marriott's Program Management Office (PMO). Review and coordination of technology and business processes used to manage the hotels credit card information and their compliance with the Visa standards.	T
IBMM	IR 15	IBM Hardware Maintenance		Maintenance cost for hardware provided by the vendor, International Business Machines (IBM). Cost includes coverage of hotel personal computers and laptops against breakage or failure. Cost is based on the vendor invoice.	T
2056	IR 38, MI List 26	B:Oceans Shared Infra costs	Allocated to IR and MVCI based on infrastructure storage and usage.	Collects shared costs for FIN, BAR (Billing and Accounts Receivable), EPM (Enterprise Performance Management), EPB, Mosaic, LMS (Labor Management and Scheduling), RCSL (Revenue Capture Subsidiary Ledger), MVCI (Marriott Vacation Club International), Supply Chain and Incentive Sales.	T
7352	MI LIST 153, MI LIST 154	S:PST PMS Training	Tuition charged per associate based on the cost of the training event.	Provide Property Management System (PMS) training to associates at managed and franchised full service brand hotels. Services include basic and advanced training in the use of full service PMS systems, related customer service training, and live monitoring of hotel staff after the system implementation date. The amount includes wages and benefits for the on site trainers, as well as their travel, lodging, meals and other related expenses while the training, implementation and observation takes place.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7606	MI LIST 140, MI LIST 141, MI LIST 142, MI LIST 176, IR 2	S:HQ Voice Services	$159K fixed allocation to A&C. Remainder direct charged to users. 6 components and rates including a long-term funding component for Omaha related to Unity voice mail.	This service includes the cost of local calls charged to Marriott by Verizon. This cost is passed on to the end users who benefit from easy communication via the telephone external to Marriott.	T
7711	MI LIST 152	R:ScerIS 9 Upgrade	Direct Charge to participating hotels at time of installation based on estimated total project costs.	All full service hotels with ScerIS that are supported by an Information Resource Field Associate. Project management services including project planning, communications, scheduling and tracking progress. Facilitate remote upgrades to existing servers or procurement of replacement servers.	T
7361	MI LIST 153, MI LIST 154	S:LMS Training	Tuition charged per associate based on the costs of the training event.	Cost of attending Mercury training. Associates receive Mercury training to help perform their job functions using the Mercury applications.	T
1904	RMA 25	S:Password Reset	Direct Charge to users. Rate: $17.50 per call	Support cost for an associate to receive assistance when resetting their password. Marriott associates use their passwords to access secure systems within the Marriott infrastructure. An on-line interactive tool is available for associates to update their passwords according to pre-defined timeframes. Costs are distributed on a per call basis.	T
INFW	IR 17	ScerIS Annual Maintenance - Additional Host		Annual cost of maintenance of ScerIS system (formerly known as InfoWiz) which is used as a reporting archive for storing reports from key hotel systems, such as the Property Management System (PMS). Cost is per-hotel based on the vendor invoice amount.	T

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Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
2131	IR 26, IR 55, F&A 29	B:TeamShare	Direct Charge to numerous users based on the number of TeamShare sites. Rate is $300 per site, calculated as total cost/number of sites.	Cost of support and infrastructure for the Team Share application. Team Share is the application that enables workgroups to securely organize, update and access team assets in a central location. Period costs are distributed per hotel based on participating hotels. Support costs may include labor, software, hardware and computing costs. While no new MVWC-sponsored sites will be offered, MII will continue to host the following sites through the Transition Period: MVCI London Regional Office, MVCI Note Sales Rating Agency Access, and MVCI Security and Compliance	T
7733	RMA 26, RMA 47	S:Remote Attended Network Access	Direct charge to licensed users of the service at a rate of $11/period.	Cost for an outsourced service that enables hotel associates to engage third party application support vendors and grant the vendors access to the property based applications/systems to resolve issues in an efficient manner. Designated hotel associates are provided with an account on the Marriott WebEx service, which enables them to engage the vendor to resolve hotel application issues via a secure internet connection. Costs are distributed based on the number of user accounts at the hotel.	T
7665	IR 8, MI LIST 177, IR 50	S:Enterprise Security	Recovered via the IR Service Allocation, charged to applications at a rate of 11.5% of Direct Costs	The enhancement of the security system and compliance with Payment Card Industry (PCI) Data Security Standards. Host Intrusion Detection Software (HIDS) software monitors activities on systems and provides real time alarming on malicious activity.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7779	MI LIST 138, MI LIST 139	S:WebSurveyor Shared Services	Direct charge to licensed users of the service at a rate of $1,500 per user per survey request.	Vovici Survey is a Marriott approved web-based survey tool, which alows hotels the ability to create simple to complex surveys and provides enhanced analytical and reporting functionality. A Vovici license provides a professional, multi-faceted survey functionality including advanced features such as advanced question routing based on answer, full reporting funstionality, and management of invitations or reminders. Annual license costs are distributed to each user.	T
2026	IR 27	B:OpenTable	Direct Charge to participating Domestic and International hotels at a rate of $50/period.	Period cost for management and support of the vendor-supplied Open Table food and beverage (F&B) application. OpenTable is an on-line restaurant reservation and table management system that allows diners to make and confirm restaurant reservations in real-time and communicates the reservations directly to the hotel via the ScerIS system. Support costs include labor, software, hardware and computing costs. Costs are per-hotel and based on total participating hotels.	T
7357	MI LIST 144, MI LIST 145	Print & Distribution	Direct Charge to users based on per foot of paper used at $0.64/ft. 2 Components: Check Processing and Laser Printer - Excluding Checks	Cost of express shipping for the mailing of Enterprise Accounts Payable (EAP) checks, Owner and Franchise (OFB) bills, Dunning letters, and Direct Deposit statements, based on the invoice amounts.	T

EXHIBIT A TO
INFORMATION RESOURCES TSA

Dept #	Record ID	Service	Funding	Service Description	Term of Service (T-transitional or P-permanent)
7747	MI 175	Enterprise Architecture Ad Hoc	Direct Charge based on time and material.	Architecture Review Services manages a formal governance process to create alignment between specific projects and the established Enterprise Architecture Framework in order to improve the quality and agility of Marriott's overall Information Resources systems and align with Marriott's business goals and objectives for Marriott Vacation Club International (MVCI). The reviews identify architecture concerns early, reducing the cost and risk of later changes. Over time, the reviews will focus on increased reuse of Marriott International approved technologies and standard processes resulting in more efficient customer focused processes and lower technology costs for MVCI.	T
Law Dept - 52/923.20		Law Department Systems Support Services	$37,000 per year, to be paid quarterly, prorated for any shorter period. If MVWC elects a partial termination of these services, the MII and MVWC Law Departments will discuss an appropriate reduction to the fee above. MVWC may terminate any or all of these services upon provision of not less than sixty days written notice.	MII's Law Department Systems and Support Group ("SOS") will provide the following remote services to the MVWC Law Department: (1) hosting and support for the MVWC-specific instances of the Law Manager and iManage databases separated from the MII Law Department databases (MVWC acknowledges and agrees that SOS will have access to those databases subject to the confidentiality provisions of the Agreement); (2) help desk support for Workshare, Westlaw, Adobe and the MII Law Department's litigation hold survey tool.	T

Exhibit B

Service Termination Form

This Service Termination Form ("Termination Form", dated _____ __, 2011, is governed by and made a part of that certain Transition Services Agreement, made by and between MARRIOTT INTERNATIONAL, INC. ("MII") and MARRIOTT VACATIONS WORLDWIDE CORPORATION ("MVWC"), dated as of _____ __, 2011 (the "Agreement").

MVWC is hereby providing the required notice of its intent to terminate the following Transition Service(s) as of the dates set forth below:

Description of Transition Service	Effective Date of Termination

MII shall terminate providing the Transition Services listed above as of the dates set forth above ("Termination Date"). After the Termination Date, MII shall have no further liability to provide the terminated Transition Service(s).

Any terms used in this Termination Form without definition shall have their respective meanings as set forth in the Agreement.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: _____

Name:
Title:

Exhibit 10.11

EXECUTION VERSION

FIRST AMENDMENT

FIRST AMENDMENT, dated as of November 17, 2011 (this "Amendment"), to the Credit Agreement, dated as of October 20, 2011 (as further amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Marriott Vacations Worldwide Corporation, a Delaware corporation ("MVWC"), Marriott Ownership Resorts, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time party thereto (the "Lenders"), Bank of America, N.A. and Deutsche Bank Securities Inc., as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. as co-syndication agents and JPMorgan Chase Bank, N.A., as administrative agent.

W I T N E S S E T H

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make certain loans and other extensions of credit to the Borrower;

WHEREAS, the Borrower has further requested that the Credit Agreement be amended as set forth herein; and

WHEREAS, the Required Lenders are willing to agree to this Amendment on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendments. The Credit Agreement shall be amended as of the Amendment Effective Date (as defined below) as set forth below.

(a) Amendments to the Table of Contents. The Table of Contents of the Credit Agreement is hereby amended as follows:

(i) by adding "N Form of Notice of Borrowing" immediately after "M Form of Ritz-Carlton Comfort Letter"; and

(ii) by attaching the Form of Notice of Borrowing attached hereto as Annex I as Exhibit N to the Credit Agreement.

(b) Amendments to Section 1.1 (Defined Terms). Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) by inserting the following definitions in proper alphabetical order:

"First Amendment" means the First Amendment to this Agreement dated November 17, 2011.

"Notice of Borrowing" means a Notice of Borrowing, substantially in the form for Exhibit N."

(ii) by amending the definition of "Interest Period" by replacing "notice of borrowing" in the third line thereof with "Notice of Borrowing, substantially in the form of Exhibit N,";

(iii) by amending the definition of "Loan Documents" by adding "the First Amendment," immediately after "this Agreement," in the first line thereof.

(c) Amendments to Section 2.2 (Procedure for Borrowing). Section 2.2 of the Credit Agreement is hereby amended as follows:

(i) by adding "by delivering a Notice of Borrowing" immediately after "notice" in the second line thereof.

(d) Amendment to Section 5.1 (Conditions to Initial Extension of Credit). Section 5.1 of the Credit Agreement is hereby amended as follows:

(i) by adding the following sentence after Section 5.1(a): "Notwithstanding the foregoing, each Subsidiary Guarantor organized or incorporated in the US Virgin Islands shall not be obligated to comply with this Section 5.1(a) as a condition of the initial extension of credit, provided that the Borrower covenants and agrees to cause each such Subsidiary Guarantor to comply with this Section 5.1(a) (and its obligations under the Guarantee and Collateral Agreement as a Subsidiary Guarantor) within 30 days after the Closing Date.";

(ii) by adding the following sentence after Section 5.1(k)(v): "Notwithstanding the foregoing, the Borrower shall not be obligated to comply with this Section 5.1(k) as a condition of the initial extension of credit with respect to any Mortgaged Properties that are not Time Share Interests or In-Process Property, provided that the Borrower covenants and agrees with respect to any such Mortgaged Properties that the Borrower shall have complied with this Section 5.1(k) (and the Administrative Agent shall have received a Mortgage and associated deliverables required to be delivered pursuant to Section 5.1(k)(i) through (v) with respect to each related land parcel or interest therein) within 60 days after the Closing Date.";

(iii) by amending Section 5.1(k)(ii) by inserting the following at the end of clause (A) thereof: ", provided, however, that in no event shall maps or plats of an as-built survey be required to be furnished to the Administrative Agent or the title insurance company for non-resort or non-inventory Mortgaged Property having a tax assessment value of $500,000 or less".

(e) Amendments to Section 7.4 (Liens). Section 7.4 of the Credit Agreement is hereby amended as follows:

(i) by amending Section 7.4(d) by inserting "pledges or" immediately before "deposits", in the first line thereof; and

(ii) by adding ", credit card merchant agreements and bank cash account management agreements" immediately after "performance bonds", in the second line of Section 7.4(d).

(f) Amendments to Section 10.5 (Payment of Expenses and Taxes). Section 10.5 of the Credit Agreement is hereby amended as follows:

(i) by amending Section 10.5(c) and (d) by inserting ", Issuing Lender" immediately after "Lender", in the first line thereof.

(g) Amendment to Exhibit A (Form of Guarantee and Collateral Agreement). Exhibit A of the Credit Agreement is hereby amended as follows:

(i) by deleting section 4.2 in its entirety and replacing it with the following:

"4.2 Perfected First Priority Liens

The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form, as applicable) will constitute valid perfected security interests in (i) all of the Collateral and the Proceeds thereof in which a security interest can be perfected by the filing of a UCC-1 financing statement, (ii) the Intellectual Property of the Loan Parties listed in Schedule 6, (iii) the Pledged Stock listed in Schedule 2 , and (iv) the deposit accounts established by the Borrower pursuant to Section 6.11(a) of the Credit Agreement, in favor of the Administrative Agent, for the benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any such Collateral from such Grantor (except, with respect to purchasers, to the extent provided otherwise under applicable law) and (b) are prior to all other Liens on the Collateral in existence on the date hereof except Liens permitted pursuant to Section 7.4 of the Credit Agreement."

SECTION 3. Conditions to Effectiveness of Amendment. This Amendment shall become effective on the date on which the following conditions precedent have been satisfied or waived (the "Amendment Effective Date"):

(a) The Administrative Agent shall have received a counterpart of this Amendment, executed and delivered by a duly authorized officer of each of (i) the Borrower and MVWC and (ii) the Required Lenders.

SECTION 4. Representations and Warranties. Each of the Borrower and MVWC hereby represents and warrants that (a) each of the representations and warranties contained in Section IV of the Credit Agreement are, after giving effect to this Amendment, true and correct in all material respects as if made on and as of the Amendment Effective Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); provided, that each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Amendment and (b) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 5. Effects on Credit Documents. (a) Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(b) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents.

SECTION 6. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and

delivery of this Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of legal counsel.

SECTION 7. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY AGREES AS SET FORTH FURTHER IN SECTION 10.16 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

SECTION 8. Amendments; Execution in Counterparts. (a) This Amendment shall not constitute an amendment of any other provision of the Credit Agreement not referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Loan Parties that would require a waiver or consent of the Required Lenders or the Administrative Agent. Except as expressly amended hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

(b) This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, MVWC, the Administrative Agent and the Required Lenders. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, including by means of facsimile or electronic transmission, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

[First Amendment Signature Page]

MARRIOTT OWNERSHIP RESORTS, INC.

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

[First Amendment Signature Page]

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Lender

By: /s/ Donald Shokrian
Name: Donald Shokrian
Title: Managing Director

[First Amendment Signature Page]

BANK OF AMERICA, as Lender

By: /s/ Lesa J. Butler
Name: Lesa J. Butler
Title: Senior Vice President

[First Amendment Signature Page]

DEUTSCHE BANK AG NEW YORK BRANCH, as Lender

By: /s/ Mary Kay Cole
Name: Mary Kay Cole
Title: Managing Director

By: /s/ Omayra Laucella
Name: Omayra Laucella
Title: Vice President

[First Amendment Signature Page]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender

By: /s/ Bill O'Daly
Name: Bill O'Daly
Title: Director

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Associate

[First Amendment Signature Page]

FIRST HAWAIIAN BANK, as Lender

By: /s/ Jon T. Fukagawa
Name: Jon T. Fukagawa
Title: Vice President

[First Amendment Signature Page]

THE ROYAL BANK OF SCOTLAND, as Lender

By: /s/ Timothy J. McNaught
Name: Timothy J. McNaught
Title: Managing Director

[First Amendment Signature Page]

SUNTRUST BANK, as Lender

By: /s/ David Fournier
Name: David Fournier
Title: Vice President

[First Amendment Signature Page]

US BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Stephen L. Sawyer
Name: Stephen L. Sawyer
Title: Vice President

[First Amendment Signature Page]

WELLS FARGO CAPITAL FINANCE, LLC, as Lender

By: /s/ William R. Doolittle
Name: William R. Doolittle
Title: Vice President

[First Amendment Signature Page]

Annex I

EXHIBIT N

FORM OF NOTICE OF BORROWING

JPMORGAN CHASE BANK, N.A.
as Administrative Agent under the
Credit Agreement referred to below

_____ __, 20__

Attention:

Re: Marriott Ownership Resorts, Inc.

Reference is made to the Credit Agreement, dated as of October 20, 2011 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Marriott Vacations Worldwide Corporation ("MVWC"), Marriott Ownership Resorts, Inc. (the "Borrower"), the Lenders party thereto, the Documentation Agents and Syndication Agents named therein and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Borrower hereby gives you irrevocable notice, pursuant to Section 2.2 of the Credit Agreement of its request of a borrowing (the "Proposed Borrowing") under the Credit Agreement and, in that connection, sets forth the following information:

A. The date of the Proposed Borrowing is _____, ____(the "Funding Date").

B. The aggregate principal amount of the Proposed Borrowing of revolving loans is[1] $_____, of which $_____ consists of ABR Loans and $_____ consists of Eurodollar Loans having an initial Interest Period of _____ months [and _____ months][2].

C. Location and number of Borrower's account to which proceeds of the Proposed Borrowing are to be disbursed: _____

The Borrower hereby certifies that the following statements are true on the date hereof, both before and after giving effect to the Proposed Borrowing and any other Loan to be made or Letter of Credit to be issued on or before the Funding Date:

(i) the representations and warranties made by any Loan Party set forth in Section 4 of the Credit Agreement and elsewhere in the Loan Documents are true and correct in all material

[1] Must comply with minimum amounts in Credit Agreement pursuant to Section 2.2.

[2] For multiple Eurodollar Tranches

respects on and as of such Funding Date except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct on and as of such date; and

(ii) no Default or Event of Default has occurred or is continuing after giving effect to the Proposed Borrowing.

MARRIOTT OWNERSHIP RESORTS, INC.

By: _____

Name:
Title:

Exhibit 10.12

EXECUTION VERSION

WAIVER AND SECOND AMENDMENT

WAIVER AND SECOND AMENDMENT, dated as of November 18, 2011 (this "Waiver and Amendment"), to the Credit Agreement, dated as of October 20, 2011 (as amended by the First Amendment, dated as of November 17, 2011, the "Credit Agreement"), among Marriott Vacations Worldwide Corporation, a Delaware corporation ("MVWC"), Marriott Ownership Resorts, Inc., a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time party thereto (the "Lenders"), Bank of America, N.A. and Deutsche Bank Securities Inc., as co-documentation agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. as co-syndication agents and JPMorgan Chase Bank, N.A., as administrative agent.

W I T N E S S E T H

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make certain loans and other extensions of credit to the Borrower;

WHEREAS, the Borrower has further requested that certain provisions of the Credit Agreement be waived or amended as set forth herein; and

WHEREAS, the Required Lenders are willing to agree to this Waiver and Amendment on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Waiver. Notwithstanding anything to the contrary contained in Section 5.1(k)(i) of the Credit Agreement, the Loan Parties shall not be required to deliver Mortgages (and the related title insurance policies, surveys and flood insurance certificates) for approximately 3,100 weeks of Time Share Interests representing Time Share Interests held for sale at various resorts located in Hawaii or reacquired from retail owners within the 60 days preceding the Closing Date; provided that the Borrower shall cause such Mortgages (and related title insurance policies, surveys and flood insurance certificates) to be delivered within 60 days of the Closing Date. Failure to comply with the requirements of the preceding sentence shall be deemed to be a breach of Section 6.10(c) (i) or (ii), as applicable, of the Credit Agreement.

SECTION 3. Amendments. The Credit Agreement shall be amended as of the Waiver and Amendment Effective Date (as defined below) as set forth below:

(a) Amendments to Section 1.1 (Defined Terms). Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) by inserting the following definition in proper alphabetical order:

"Second Amendment" means the Waiver and Second Amendment to this Agreement dated November 18, 2011.

(ii) by amending the definition of "Loan Documents" by adding "the Second Amendment," immediately after "the First Amendment," in the first line thereof.

(b) Amendment to Section 6.10 (Additional Collateral, etc.). Section 6.10(c)(i) is hereby amended by inserting the following after the last sentence thereof: "For purposes of this Section 6.10(c)(i), a Time Share Interest that has been acquired by a Loan Party from the retail owner thereof (i.e., a reacquired Time Share Interest) shall not be deemed to be owned by a Loan Party until 60 days following such Loan Party's acquisition thereof."

SECTION 4. Conditions to Effectiveness of Waiver and Amendment. This Waiver and Amendment shall become effective on the date on which the following conditions precedent have been satisfied or waived (the "Waiver and Amendment Effective Date"):

(a) The Administrative Agent shall have received a counterpart of this Waiver and Amendment, executed and delivered by a duly authorized officer of each of (i) the Borrower and MVWC and (ii) the Required Lenders.

SECTION 5. Representations and Warranties. Each of the Borrower and MVWC hereby represents and warrants that (a) each of the representations and warranties contained in Section IV of the Credit Agreement are, after giving effect to this Waiver and Amendment, true and correct in all material respects as if made on and as of the Waiver and Amendment Effective Date (unless such representations and warranties are stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); provided that each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Waiver and Amendment and (b) after giving effect to this Waiver and Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 6. Effect on Credit Documents. Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

SECTION 7. Expenses. The Borrower agrees to pay and reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Waiver and Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of legal counsel.

SECTION 8. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS WAIVER AND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY AGREES AS SET FORTH FURTHER IN SECTION 10.16 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

SECTION 9. Waivers; Execution in Counterparts. (a) This Waiver and Amendment shall not constitute a waiver of any other provision of the Credit Agreement not referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Loan Parties that would require a waiver or consent of the Required Lenders or the Administrative Agent. Except as expressly waived hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

(b) This Waiver and Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, MVWC, the Administrative Agent and the Required Lenders. This Waiver and Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, including by means of facsimile or electronic transmission, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President

[Waiver and Amendment Signature Page]

MARRIOTT OWNERSHIP RESORTS, INC.

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President

[Waiver and Amendment Signature Page]

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Lender

By: /s/ Marc Costantino
Name: Marc Costantino
Title: Executive Director

[Waiver and Amendment Signature Page]

DEUTSCHE BANK AG NEW YORK BRANCH, as Lender

By: /s/ Erin Morrissey
Name: Erin Morrissey
Title: Director

By: /s/ Marguerite Sutton
Name: Marguerite Sutton
Title: Director

[Waiver and Amendment Signature Page]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender

By: /s/ Shaheen Malik
Name: Shaheen Malik
Title: Vice President

By: /s/ Kevin Buddhdew
Name: Kevin Buddhdew
Title: Associate

[Waiver and Amendment Signature Page]

FIRST HAWAIIAN BANK, as Lender

By: /s/ Jon T. Fukagawa
Name: Jon T. Fukagawa
Title: Vice President

[Waiver and Amendment Signature Page]

THE ROYAL BANK OF SCOTLAND, as Lender

By: /s/ Timothy J. McNaught
Name: Timothy J. McNaught
Title: Managing Director

[Waiver and Amendment Signature Page]

SUNTRUST BANK, as Lender

By: /s/ David Fournier
Name: David Fournier
Title: Vice President

[Waiver and Amendment Signature Page]

WELLS FARGO CAPITAL FINANCE, LLC, as Lender

By: /s/ William R. Doolittle
Name: William R. Doolittle
Title: Vice President

[Waiver and Amendment Signature Page]

Exhibit 10.13

EXECUTION VERSION

GUARANTEE AND COLLATERAL AGREEMENT

made by

MARRIOTT VACATIONS WORLDWIDE CORPORATION,

MARRIOTT OWNERSHIP RESORTS, INC.

and certain of its Subsidiaries

in favor of

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent

Dated as of November 21, 2011

TABLE OF CONTENTS

[1] To include all Intercompany Agreements and management contracts with homeowners' associations.

GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of November 21, 2011, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of October 20, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among MARRIOTT VACATIONS WORLDWIDE CORPORATION ("MVWC"), MARRIOTT OWNERSHIP RESORTS, INC. (the "Borrower"), the Lenders and the Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC: Accounts, Certificated Security, Chattel Paper, Clearing Corporation, Commercial Tort Claims, Documents, Entitlement Order, Electronic Chattel Paper, Equipment, Farm Products, Financial Assets, Fixtures, General Intangibles, Instruments, Inventory, Letter-of-Credit Rights, Securities, Security Entitlement and Supporting Obligations.

(b) The following terms shall have the following meanings:

"Agreement": this Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents, any Letter of Credit or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

"Clearing Corporation Security" means a security that is registered in the name of, or indorsed to, a Clearing Corporation or its nominee or is in the possession of the Clearing Corporation in bearer form or indorsed in blank by an appropriate Person.

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4.

"Contracts": each of the Intercompany Agreements and the contracts and agreements listed in Schedule 7, as the same may be amended, supplemented or otherwise modified from time to time, including, without limitation, (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to damages arising thereunder and (iii) all rights of any Grantor to perform and to exercise all remedies thereunder.

"Control" means "control" as defined in Section 9-104, 9-105, 9-106 or 9-107 of the New York UCC, as applicable.

"Copyrights": (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

"Copyright Licenses": all agreements, whether written or oral, (including, without limitation, those listed in Schedule 6), providing for the grant by or to any Grantor of any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"Custodian": Wells Fargo Bank, National Association, in its capacity as custodian under the Custody Agreement, or any successor in such capacity or otherwise party to a Custody Agreement. The term "Custodian" includes any agent or sub-custodian acting on behalf of the Custodian.

"Custody Agreement": an agreement in form and substance reasonably satisfactory to the Administrative Agent with respect to custody arrangements involving Time Share Receivables.

"Deliver", "Delivered" or "Delivery" (whether to the Administrative Agent or otherwise) means, with respect to any Collateral consisting of the following, that such Collateral is held, registered or covered by a recorded UCC-1 financing statement as described below:

(a) in the case of each Certificated Security (other than a U.S. Government Security or Clearing Corporation Security,), that such Certificated Security is in the possession of the Administrative Agent and registered in the name of the Administrative Agent (or its nominee) or indorsed to the Administrative Agent or in blank;

(b) in the case of each Instrument, that such Instrument is in the possession of the Administrative Agent indorsed to the Administrative Agent or in blank or, in the case of a Time Share Receivable that is evidenced by an Instrument, that such Instrument is in the possession of the Custodian indorsed to the Custodian or in blank;

(c) in the case of any Deposit Account or Securities Account that the bank or Securities Intermediary at which such Deposit Account or Securities Account, as applicable, is located has agreed that the Administrative Agent has Control over such Deposit Account or Securities Account;

(d) in the case of any money (regardless of currency), that such money has been credited to a Deposit Account over which the Administrative Agent has Control; and

(e) in the case of any Investment Property not of a type covered by the foregoing clauses (a) through (d) that such Investment Property has been transferred to the Administrative Agent in accordance with applicable law and regulation.

"Deposit Account": as defined in the Uniform Commercial Code of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depositary institution.

"Foreign Subsidiary Voting Stock": the voting Capital Stock of any Foreign Subsidiary.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

"Guarantors": the collective reference to each Grantor other than the Borrower.

"Infringe": as defined in Section 4.8(c); "Infringement" shall have a correlative meaning.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any Infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note": any promissory note evidencing loans made by any Grantor to any other Group Member.

"Investment Property": the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of "Pledged Stock") and (ii) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Stock.

"Issuers": the collective reference to each issuer of any Investment Property.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Patents": (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

"Patent License": all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 6.

"Pledged Notes": all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

"Pledged Stock": the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall more than 66-2/3% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be required to be pledged hereunder.

"Proceeds": all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account); provided that such term shall include only such rights to payment that constitute Collateral.

"Secured Parties": the collective reference to the Administrative Agent, the Lenders and any affiliate of any Lender to which Borrower Obligations or Guarantor Obligations, as applicable, are owed.

"Securities Act": the Securities Act of 1933, as amended.

"Trademarks": (i) all trademarks, trade names, brand names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, domain names, service marks, logos and other source or business identifiers, and all goodwill associated therewith and symbolized thereby, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including, without limitation, any of the foregoing referred to in Schedule 6, and (ii) the right to obtain all renewals thereof.

"Trademark License": any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6.

1.2 Other Definitional Provisions. (a) The words "hereof," "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

SECTION 2. GUARANTEE

2.1 Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Subsidiary Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Subsidiary Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by payment in full, no Letter of Credit shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated.

2.2 Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent and the Lenders, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

2.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.4 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed,

extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Funding Office.

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(a) all Accounts;

(b) all Chattel Paper;

(c) all Contracts;

(d) all Deposit Accounts;

(e) all Documents (other than title documents with respect to Vehicles);

(f) all Equipment;

(g) all Fixtures;

(h) all General Intangibles;

(i) all Instruments;

(j) all Intellectual Property;

(k) all Inventory;

(l) all Investment Property;

(m) all Letter-of-Credit Rights;

(n) the Collection Accounts including all sub-accounts thereof, and all cash, Securities, Securities Entitlements with respect thereto and other Financial Assets carried therein;

(o) all other property not otherwise described above;

(p) all books and records pertaining to the Collateral; and

(q) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Section 3, this Agreement shall not constitute a grant of a security interest in any property that constitutes Excluded Property (it being understood that such grant will be applicable at such time as any such property ceases to constitute Excluded Property).

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement or as are permitted by the Credit Agreement. For the avoidance of doubt, it is understood and agreed that any Grantor may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by a Grantor. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

4.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form, as applicable) will constitute valid perfected security interests in (i) all of the Collateral and the Proceeds thereof in which a security interest can be perfected by the filing of a UCC-1 financing statement, (ii) the Intellectual Property of the Loan Parties listed in Schedule 6, (iii) the Pledged Stock listed in Schedule 2 , and (iv) the deposit accounts established by the Borrower pursuant to Section 6.11(a) of the Credit Agreement, in favor of the Administrative Agent, for the benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any such Collateral from such Grantor (except, with respect to purchasers, to the extent provided otherwise under applicable law) and (b) are prior to all other Liens on the Collateral in existence on the date hereof except Liens permitted pursuant to Section 7.4 of the Credit Agreement.

4.3 Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization, identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 4. Such Grantor has furnished to the Administrative Agent a certified charter, certificate of incorporation or other organization document and long-form good standing certificate as of a date which is recent to the date hereof.

4.4 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.5 Investment Property. (a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor other than the preferred Stock in the case of MVW U.S. Holdings, Inc. or, in the case of Foreign Subsidiary Voting Stock, if less, 66-2/3% of the outstanding Foreign Subsidiary Voting Stock of each relevant Issuer.

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

4.6 Receivables. (a) No amount payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been Delivered.

(b) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate.

4.7 Contracts. (a) No consent of any party (other than such Grantor) to any Contract is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement, except as has been obtained.

(b) Each Contract is in full force and effect and constitutes a valid and legally enforceable obligation of the parties thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Contracts by any party thereto other than those which have been duly obtained, made or performed, are in full force and effect and do not subject the scope of any such Contract to any material adverse limitation, either specific or general in nature, the failure of which to obtain or make or perform could reasonably be expected to have a material adverse effect on the enforceability of such Contract against the related obligor or its value as Collateral.

(d) Neither such Grantor nor (to the best of such Grantor's knowledge) any of the other parties to the Contracts is in default in the performance or observance of any of the material terms thereof, the failure of which to perform or observe could reasonably be expected to result in a Material Adverse Effect.

(e) The right, title and interest of such Grantor in, to and under the Contracts are not subject to any defenses, offsets, counterclaims or claims, the successful exercise of which could reasonably be expected to result in a Material Adverse Effect.

(f) Such Grantor has delivered to the Administrative Agent a complete and correct copy of each Contract, including all amendments, supplements and other modifications thereto.

4.8 Intellectual Property. (a) Schedule 6 lists all Intellectual Property which is the subject of a U.S. federal registration or application owned by such Grantor in its own name on the date hereof.

(b) Each Grantor owns free of all Liens (other than Liens permitted pursuant to Section 7.4 of the Credit Agreement), or has the right to use, all Intellectual Property used in the operation of such Grantor's business.

(c) On the date hereof, all Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe, misappropriate or otherwise violate ("Infringe") the intellectual property rights of any other Person except to the extent that failure to comply with the foregoing could not reasonably be expected to have a Material Adverse Effect or have a material adverse effect on the value of the Intellectual Property taken as a whole.

(d) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(e) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity, enforceability, ownership or use of, or such Grantor's rights in, any Intellectual Property in any respect, and such Grantor knows of no valid basis for same except to the extent that the existence of any of the foregoing could not reasonably be expected to have a Material Adverse Effect or have a material adverse effect on the value of the Intellectual Property taken as a whole.

(f) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity, enforceability, ownership or use of any Intellectual Property or such Grantor's interest therein, or (ii) which, if adversely determined, could reasonably be expected to have a Material Adverse Effect or would have a material adverse effect on the value of the Intellectual Property taken as a whole.

4.9 Commercial Tort Claims.

(a) On the date hereof no Grantor has rights in any Commercial Tort Claim with potential value in excess of $100,000.

(b) Upon the filing of a financing statement covering any Commercial Tort Claim referred to in Section 5.9 against such Grantor in the jurisdiction specified in Schedule 3 hereto, the security interest granted in such Commercial Tort Claim will constitute a valid perfected security interest in favor of the Administrative Agent, for the benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase such Collateral from Grantor, which security interest shall be prior to all other Liens on such Collateral except for unrecorded liens permitted by the Credit Agreement which have priority over the Liens on such Collateral by operation of law.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full, no Letter of Credit shall be outstanding and the Commitments shall have terminated:

5.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any (i) Instrument (other than an Instrument evidencing Time Share Receivables), Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately Delivered, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement and (ii) Instrument evidencing a Time Share Receivable that constitutes Collateral, such Instrument shall be Delivered promptly to the Custodian to be held in accordance with the Custody Agreement.

5.2 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby, (ii) in the case of Investment Property, Deposit Accounts, Letter-of-Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain Control with respect thereto, and (iii) in the case of Intellectual Property, filing with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office or agency in any other country or any political subdivision thereof) any such documents as may be necessary for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interests created hereby.

(d) Except as otherwise permitted under Section 7.4 of the Credit Agreement and the applicable provisions of each other Loan Document, the Grantors shall not (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to any of the Collateral in which the Administrative Agent is not named as the secured party as agent for the Secured Parties, or (b) cause or permit any Person other than the Administrative Agent or the Custodian (in accordance with the Custody Agreement) to have Control of any Deposit Account, Securities Account, Electronic Chattel Paper, Investment Property or Letter-of-Credit Right constituting part of the Collateral.

5.3 Changes in Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of all additional executed financing

statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein, (i) change its jurisdiction of organization or the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.3 or (ii) change its name.

5.4 Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.5 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the Lenders, hold the same in trust for the Administrative Agent and the Lenders and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder, as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any Capital Stock (other than Preferred Stock) of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Capital Stock of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.5(a) with respect to the Investment Property issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Investment Property issued by it.

(d) In addition to the other requirements of this Section 5.5, each Grantor agrees to comply with Section 6.11 of the Credit Agreement with respect to the proceeds of residual interests in Time Share SPV's owned by such Grantor.

5.6 Receivables. (a) Other than in the ordinary course of business consistent with its past practice or as permitted in existing or future securitization transactions, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could materially adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.7 Contracts. (a) Such Grantor will perform and comply in all material respects with all its obligations under the Contracts.

(b) Except as permitted under Section 7.17 of the Credit Agreement, such Grantor will not amend, modify, terminate or waive any provision of any Contract (i) in any manner which could reasonably be expected to materially adversely affect the value of such Contract as Collateral.

(c) Such Grantor will exercise promptly and diligently each and every material right which it may have under each Contract (other than any right of termination).

(d) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it relating in any way to any Contract that questions the validity or enforceability of such Contract.

5.8 Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) maintain each material Trademark in full force free from any meritorious claim of abandonment for non-use, and in a manner consistent with the quality of goods and services offered under such Trademark in the past; (ii) use such Trademarks with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iii) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademarks unless the Administrative Agent, for the ratable benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby (i) any portion of the Copyrights may (i) become invalidated or otherwise impaired or (ii) fall into the public domain.

(c) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any Intellectual Property to Infringe the intellectual property rights of any other Person.

(d) Such Grantor will notify the Administrative Agent and the Lenders promptly if it knows, or has reason to know, that any application or registration relating to any Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's rights in, or the validity, enforceability, ownership or use of, any Intellectual Property, including, without limitation such Grantor's right to register the same or to own and maintain the same.

(e) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Administrative Agent within fifteen Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(f) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability and the payment of maintenance fees.

(g) In the event that any material Intellectual Property is Infringed by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and sue for Infringement, to seek injunctive relief where appropriate and to recover any and all damages for such Infringement.

5.9 Commercial Tort Claims. If such Grantor shall obtain an interest in any Commercial Tort Claim with a potential value in excess of $100,000, such Grantor shall within 30 days of obtaining such interest sign and deliver documentation acceptable to the Administrative Agent granting a security interest under the terms and provisions of this Agreement in and to such Commercial Tort Claim.

5.10 Time Share Interests. Each Grantor agrees to comply with Section 6.11 of the Credit Agreement with respect to the proceeds of Time Share Interests described therein that are owned by such Grantor.

5.11 Use of Collateral Prior to Default; Agreement regarding Control Agreements. Unless a Default or an Event of Default shall have occurred and be continuing, the Grantors retain all rights to deal with and to manage the Collateral, including without limitation, the right to sell or otherwise to dispose of, and to exercise all voting and corporate or other organizational rights with respect to, the Collateral so long as the same is otherwise in accordance with the provisions of this Agreement

and would not contravene a requirement of the Credit Agreement. The Administrative Agent agrees with the Grantors that it will not give or deliver any notice of exclusive control or similar notice or any Entitlement Order or other instruction pursuant to any control agreement relating to any Collection Account or pursuant to the Custody Agreement unless (x) a Default or an Event of Default has occurred and is then continuing or (y) if such notice, order or instruction is necessary or advisable, in the good faith judgment of the Administrative Agent, to prevent an action that would contravene a requirement of this Agreement or the Credit Agreement.

SECTION 6. REMEDIAL PROVISIONS

6.1 Certain Matters Relating to Receivables. (a) The Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications. If an Event of Default has occurred and is continuing, at any time and from time to time, upon the Administrative Agent's reasonable request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, provided that the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of such Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Lenders only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of such Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit. The foregoing requirements are in addition to the requirements with respect to proceeds of Receivables set forth in this Agreement and in the Credit Agreement.

(c) At the Administrative Agent's request after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

6.2 Communications with Obligors; Grantors Remain Liable. (a) Subject to compliance with applicable law, the Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables or Contracts.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables and parties to the Contracts that the Receivables and the Contracts have been assigned to the Administrative Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3 Pledged Stock. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock (subject to the obligations set forth in this Agreement and in Section 6.11 of the Credit Agreement in respect of the Capital Stock of Time Share SPVs) and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate or other organizational rights with respect to the Investment Property; provided however, that no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Administrative Agent may determine, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the

Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) thereafter, unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

6.4 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified elsewhere in this Agreement and in the Credit Agreement with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor (other than any Proceeds that are required to be held in escrow accounts or that constitute "pre-rescission" customer deposits) consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any Proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

First, to pay incurred and unpaid fees and expenses of the Administrative Agent under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fourth, any balance remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof,

and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7 Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 6.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Administrative Agent and the Lenders, that the Administrative Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

6.8 Subordination. Each Grantor hereby agrees that, upon the occurrence and during the continuance of an Event of Default, unless otherwise agreed by the Administrative Agent, all Indebtedness owing by it to any Subsidiary of the Borrower shall be fully subordinated to the indefeasible payment in full in cash of such Grantor's Obligations.

6.9 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

SECTION 7. THE ADMINISTRATIVE AGENT

7.1 Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of

the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3 Execution of Financing Statements. Pursuant to any applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Each Grantor authorizes the Administrative Agent to use the collateral description "all personal property" in any such financing statements. Each Grantor hereby ratifies and authorizes the filing by the Administrative Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 10.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any

other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 10.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Lenders and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

8.6 Set-Off. In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without notice to any Grantor, any such notice being expressly waived by each Grantor to the extent permitted by applicable law, upon any Obligations becoming due and payable by any Grantor (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of such Grantor. Each Lender agrees promptly to notify the relevant Grantor and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

8.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

8.14 Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 6.10 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

8.15 Releases. (a) At such time as the Loans, the Reimbursement Obligations and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) Upon any Disposition by any Grantor of any Collateral that is not prohibited by the Credit Agreement (other than a Disposition of Collateral to another Grantor), the security interest of the Administrative Agent in such Collateral shall be automatically released. Notwithstanding the foregoing, in the event that the Borrower reasonably so requests, the Administrative Agent shall sign release documentation that may be necessary or desirable to confirm such release to third parties. Each such request for a release shall be deemed to be a representation and warranty by the Borrower under the Credit Agreement that such release is permitted pursuant to the Credit Agreement.

(c) At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

8.16 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

[Guarantee and Collateral Agreement Signature Pages]

MARRIOTT OWNERSHIP RESORTS, INC.

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

[Guarantee and Collateral Agreement Signature Pages]

MVW US HOLDINGS

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

[Guarantee and Collateral Agreement Signature Pages]

E-CRM CENTRAL, LLC

EAGLE TREE CONSTRUCTION, LLC

HARD CARBON, LLC

HEAVENLY RESORT PROPERTIES, LLC

K D KAPULE LLC

KAUAI LAGOONS HOLDINGS LLC

KAUAI LAGOONS LLC

KAUAI LAGOONS VESSELS LLC

MARRIOTT KAUAI OWNERSHIP RESORTS, INC.

MARRIOTT OVERSEAS OWNERS SERVICES CORPORATION

MARRIOTT OWNERSHIP RESORTS PROCUREMENT, LLC

MARRIOTT RESORTS HOSPITALITY CORPORATION

MARRIOTT RESORTS SALES COMPANY, INC.

MARRIOTT RESORTS TITLE COMPANY, INC.

MARRIOTT RESORTS, TRAVEL COMPANY, INC.

MARRIOTT VACATION CLUB OWNERSHIP II LLC

MARRIOTT VACATION CLUB OWNERSHIP LLC

MARRIOTT VACATION PROPERTIES OF FLORIDA, INC.

MARRIOTT'S DESERT SPRINGS DEVELOPMENT CORPORATION

MH KAPALUA VENTURE, LLC

MORI GOLF (KAUAI), LLC

MORI MEMBER (KAUAI), LLC

MORI RESIDENCES, INC.

MORI SPC 2005-1 CORP.

MORI SPC 2005-2 CORP.

MORI SPC 2006-1 CORP

MORI SPC 2006-2 CORP.

MORI SPC 2007-1 CORP.

MORI SPC CORP.

MORI SPC II, INC.

MORI SPC III CORP.

MORI SPC SERIES CORP.

MORI SPC V CORP.

MORI SPC VI CORP.

MORI SPC VII CORP.

MTSC, INC.

MVCO 2005-1 LLC

MVCO 2005-2 LLC

MVCO 2006-1 LLC

MVCO 2006-2 LLC

MVCO 2007-1 LLC

MVCO SERIES LLC

MVW OF NEVADA, INC.

MVW US HOLDINGS, INC.

R.C. CHRONICLE BUILDING, L.P.

RBF, LLC

RCC (GP) HOLDINGS LLC

RCC (LP) HOLDINGS L.P.

RCDC 942, L.L.C.

RCDC CHRONICLE LLC

THE COBALT TRAVEL COMPANY, LLC

THE LION & CROWN TRAVEL CO., LLC

THE RITZ-CARLTON DEVELOPMENT COMPANY, INC.

THE RITZ-CARLTON MANAGEMENT COMPANY, L.L.C.

THE RITZ-CARLTON SALES COMPANY, INC.

THE RITZ-CARLTON TITLE COMPANY, INC.

as Grantors

By: /s/ Joseph Bramuchi
Name: Joseph Bramuchi
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Mark E. Constantino
Name: Mark E. Constantino
Title: Executive Director

[Guarantee and Collateral Agreement Signature Pages]

Schedule 1

NOTICE ADDRESSES OF GUARANTORS

[Name of Guarantor]
Attn: Chief Financial Officer
6649 Westwood Boulevard, 5th Floor
Orlando, Florida 32821
Telephone: (407) 206-6334
Facsimile: (407) 206-6005

With a copy to:

[Name of Guarantor]
Attn: General Counsel
6649 Westwood Boulevard, 3rd Floor
Orlando, Florida 32821
Telephone: (407) 513-6895
Facsimile: (407) 206-6420

Schedule 2

DESCRIPTION OF INVESTMENT PROPERTY

PLEDGED STOCK

Equity Interest in:

e-CRM Central, LLC
Eagle Tree Construction, LLC
Hard Carbon, LLC
Heavenly Resort Properties, LLC
K D Kapule LLC
Kauai Lagoons Holdings LLC
Kauai Lagoons LLC
Kauai Lagoons Vessels LLC
Marriott Kauai Ownership Resorts, Inc.
Marriott Overseas Owners Services Corporation
Marriott Ownership Resorts Procurement, LLC
Marriott Resorts Hospitality Corporation
Marriott Resorts Sales Company, Inc.
Marriott Resorts Title Company, Inc.
Marriott Resorts, Travel Company, Inc.
Marriott Vacation Club Ownership II LLC
Marriott Vacation Club Ownership LLC
Marriott Vacation Properties of Florida, Inc.
Marriott's Desert Springs Development Corporation
MH Kapalua Venture, LLC
MORI Golf (Kauai), LLC
MORI Member (Kauai), LLC
MORI Residences, Inc.
MORI SPC 2005-1 Corp.
MORI SPC 2005-2 Corp.
MORI SPC 2006-1 Corp
MORI SPC 2006-2 Corp.
MORI SPC 2007-1 Corp.
MORI SPC Corp.
MORI SPC II, Inc.
MORI SPC III CORP.
MORI SPC Series Corp.
MORI SPC V Corp.
MORI SPC VI Corp.
MORI SPC VII Corp.
MTSC, INC.
MVCO 2005-1 LLC
MVCO 2005-2 LLC
MVCO 2006-1 LLC

MVCO 2006-2 LLC
MVCO 2007-1 LLC
MVCO Series LLC
MVW of Nevada, Inc.
MVW US Holdings, Inc.
R.C. Chronicle Building, L.P.
RBF, LLC
RCDC 942, L.L.C.
RCDC Chronicle LLC
The Cobalt Travel Company, LLC
The Lion & Crown Travel Co., LLC
The Ritz-Carlton Development Company, Inc.
The Ritz-Carlton Management Company, L.L.C.
The Ritz-Carlton Sales Company, Inc.
The Ritz-Carlton Title Company, Inc.

PLEDGED NOTES

Trans.	Date	Maker/Obligor	Holder/Obligee	Type
2004-1	14-May-04	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC VI Corp	Demand Note
2004-2	8-Nov-04	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC VII Corp	Demand Note
2005-1	20-May-05	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC 2005-1	Demand Note
2005-2	20-Oct-05	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC 2005-2	Demand Note
2006-1	18-May-06	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC 2006-1	Demand Note
2006-2	8-Nov-06	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC 2006-2	Demand Note
2007-1	21-May-07	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC 2007-1	Demand Note
2007-2	12-Oct-07	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC	Demand Note
2008-1	1-Jun-08	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC	Demand Note
2009-2	1-Oct-09	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC	Demand Note
2010-1	1-Nov-10	Marriott International (with indemnity by MVWC under Item 2 of Sch. 1.1 the Separation and Distribution Agreement)	MORI SPC	Demand Note
2011-1	5-Oct-11	MORI SPC Series Corp	Marriott Ownership Resorts, Inc	Promissory Note

Schedule 3

FILINGS AND OTHER ACTIONS

REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

Entity Name	Filing Office
e-CRM Central, LLC	Delaware Secretary of State
Eagle Tree Construction, LLC	Florida Department of State
Hard Carbon, LLC	Nevada Secretary of State
Heavenly Resort Properties, LLC	Nevada Secretary of State
K D Kapule LLC	Hawaii Bureau of Conveyances
Kauai Lagoons Holdings LLC	Delaware Secretary of State
Kauai Lagoons LLC	Hawaii Bureau of Conveyances
Kauai Lagoons Vessels LLC	Hawaii Bureau of Conveyances
Marriott Kauai Ownership Resorts, Inc.	Delaware Secretary of State
Marriott Overseas Owners Services Corporation	Delaware Secretary of State
Marriott Ownership Resorts Procurement, LLC	Delaware Secretary of State
Marriott Ownership Resorts, Inc.	Delaware Secretary of State
Marriott Resorts Hospitality Corporation	South Carolina Secretary of State
Marriott Resorts Sales Company, Inc.	Delaware Secretary of State
Marriott Resorts Title Company, Inc.	Florida Department of State
Marriott Resorts, Travel Company, Inc.	Delaware Secretary of State
Marriott Vacation Club Ownership II LLC	Delaware Secretary of State
Marriott Vacation Club Ownership LLC	Delaware Secretary of State
Marriott Vacation Properties of Florida, Inc.	Delaware Secretary of State
Marriott Vacations Worldwide Corporation	Delaware Secretary of State
Marriott’s Desert Springs Development Corporation	Delaware Secretary of State
MH Kapalua Venture, LLC	Delaware Secretary of State
MORI Golf (Kauai), LLC	Delaware Secretary of State
MORI Member (Kauai), LLC	Delaware Secretary of State
MORI Residences, Inc.	Delaware Secretary of State
MORI SPC 2005-1 Corp.	Delaware Secretary of State
MORI SPC 2005-2 Corp.	Delaware Secretary of State
MORI SPC 2006-1 Corp	Delaware Secretary of State
MORI SPC 2006-2 Corp.	Delaware Secretary of State
MORI SPC 2007-1 Corp.	Delaware Secretary of State
MORI SPC Corp.	Delaware Secretary of State
MORI SPC II, Inc.	Delaware Secretary of State
MORI SPC III CORP.	Delaware Secretary of State

MORI SPC Series Corp.	Delaware Secretary of State
MORI SPC V Corp.	Delaware Secretary of State
MORI SPC VI Corp.	Delaware Secretary of State
MORI SPC VII Corp.	Delaware Secretary of State
MTSC, INC.	Delaware Secretary of State
MVCO 2005-1 LLC	Delaware Secretary of State
MVCO 2005-2 LLC	Delaware Secretary of State
MVCO 2006-1 LLC	Delaware Secretary of State
MVCO 2006-2 LLC	Delaware Secretary of State
MVCO 2007-1 LLC	Delaware Secretary of State
MVCO Series LLC	Delaware Secretary of State
MVW of Nevada, Inc.	Nevada Secretary of State
MVW US Holdings, Inc.	Delaware Secretary of State
R.C. Chronicle Building, L.P.	Delaware Secretary of State
RBF, LLC	Delaware Secretary of State
RCC (GP) Holdings LLC	Delaware Secretary of State
RCC (LP) Holdings L.P.	Delaware Secretary of State
RCDC 942, L.L.C.	Delaware Secretary of State
RCDC Chronicle LLC	Delaware Secretary of State
The Cobalt Travel Company, LLC	Delaware Secretary of State
The Lion & Crown Travel Co., LLC	Delaware Secretary of State
The Ritz-Carlton Development Company, Inc.	Delaware Secretary of State
The Ritz-Carlton Management Company, L.L.C.	Delaware Secretary of State
The Ritz-Carlton Sales Company, Inc.	Delaware Secretary of State
The Ritz-Carlton Title Company, Inc.	Delaware Secretary of State

Patent and Trademark Filings

Filing of the Trademark Security Agreement reflecting the grant of security interest in trademark rights by the applicable Grantor in favor of the Administrative Agent in the United States Patent and Trademark Office

Actions with respect to Pledged Stock and Pledged Notes

Originals, duly endorsed in blank for transfer, to be delivered to the Administrative Agent

Other Actions

Execution and Delivery to the Administrative Agent of the Restricted (Non-Blocked) Account Agreement dated as of November 21, 2011 among Borrower, Administrative Agent and Sun Trust Bank

Schedule 4

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

Grantor	Jurisdiction of Organization	Location of Chief Executive Office
e-CRM Central, LLC	Delaware	Florida
Eagle Tree Construction, LLC	Florida	Florida
Hard Carbon, LLC	Nevada	Florida
Heavenly Resort Properties, LLC	Nevada	Florida
K D Kapule LLC	Hawaii	Florida
Kauai Lagoons Holdings LLC	Delaware	Florida
Kauai Lagoons LLC	Hawaii	Florida
Kauai Lagoons Vessels LLC	Hawaii	Florida
Marriot Kauai Ownership Resorts, Inc.	Delaware	Florida
Marriott Overseas Owners Services Corporation	Delaware	Florida
Marriott Ownership Resorts Procurement, LLC	Delaware	Florida
Marriott Ownership Resorts, Inc.	Delaware	Florida
Marriott Resorts Hospitality Corporation	South Carolina	Florida
Marriott Resorts Sales Company, Inc.	Delaware	Florida
Marriott Resorts Title Company, Inc.	Florida	Florida
Marriott Resorts, Travel Company, Inc.	Delaware	Florida
Marriott Vacation Club Ownership LLC	Delaware	Florida
Marriott Vacation Club Ownership II LLC	Delaware	Florida
Marriott Vacation Properties of Florida, Inc.	Delaware	Florida
Marriott Vacations Worldwide Corporation	Delaware	Florida

Marriott’s Desert Springs Development Corporation	Delaware	Florida
MH Kapalua Venture, LLC	Delaware	Florida
MORI Golf (Kauai), LLC	Delaware	Florida
MORI Member (Kauai), LLC	Delaware	Florida
MORI Residences, Inc.	Delaware	Florida
MORI SPC 2005-1 Corp.	Delaware	Florida
MORI SPC 2005-2 Corp.	Delaware	Florida
MORI SPC 2006-1 Corp.	Delaware	Florida
MORI SPC 2006-2 Corp.	Delaware	Florida
MORI SPC 2007-1 Corp.	Delaware	Florida
MORI SPC Corp.	Delaware	Florida
MORI SPC II, Inc.	Delaware	Florida
MORI SPC III CORP.	Delaware	Florida
MORI SPC Series Corp.	Delaware	Florida
MORI SPC V Corp.	Delaware	Florida
MORI SPC VI Corp.	Delaware	Florida
MORI SPC VII Corp.	Delaware	Florida
MTSC, INC.	Delaware	Florida
MVCO 2005-1 LLC	Delaware	Florida
MVCO 2005-2 LLC	Delaware	Florida
MVCO 2006-1 LLC	Delaware	Florida
MVCO 2006-2 LLC	Delaware	Florida
MVCO 2007-1 LLC	Delaware	Florida
MVCO Series LLC	Delaware	Florida

MVW of Nevada, Inc.	Nevada	Florida
MVW US Holdings, Inc.	Delaware	Florida
R.C. Chronicle Building, L.P.	Delaware	Florida
RBF, LLC	Delaware	Florida
RCC (GP) Holdings LLC	Delaware	Florida
RCC (LP) Holdings L.P.	Delaware	Florida
RCDC 942, L.L.C.	Delaware	Florida
RCDC Chronicle LLC	Delaware	Florida
The Cobalt Travel Company, LLC	Delaware	Florida
The Lion & Crown Travel Co., LLC	Delaware	Florida
The Ritz-Carlton Development Company, Inc.	Delaware	Florida
The Ritz-Carlton Management Company, L.L.C.	Delaware	Florida
The Ritz-Carlton Sales Company, Inc.	Delaware	Florida
The Ritz-Carlton Title Company, Inc.	Delaware	Florida

COPYRIGHTS AND COPYRIGHT LICENSES

NONE

PATENTS AND PATENT LICENSES

NONE

TRADEMARKS AND TRADEMARK LICENSES

Mark	Assigned From	Assigned To	Location/ Country	Status	Registration No.	Registration Date	International Class
CANOPY COVE®	MII	MVW	US	Registered	2509629	20-Nov-01	41
FriendShare®	MII	MVW	US	Registered	1793867	21-Sep-93	36
FUNCTION JUNCTION®	MII	MVW	US	Registered	2486114	04-Sep-01	41
HORIZONS HARBOR®	MII	MVW	US	Registered	2550971	19-Mar-02	41
JUST-IN-TIME VACATIONS®	MII	MVW	US	Registered	3958004	10-May-11	36
KAUAI LAGOONS®	MII	MVW	US	Registered	1771511	18-May-93	21, 25, 28, 41, 42
PUTT-OF-COURSE®	MII	MVW	US	Registered	3013949	8-Nov-05	41
QUARTERDECK®	MII	MVW	US	Registered	2562312	16-Apr-02	41
VACATION ARCHITECTURE®	MII	MVW	US	Registered	3230381	17-Apr-07	36
VACATION ARCHITECTURE®	MII	MVW	US	Registered	3096271	23-May-06	35
Unicorn Design®	MII	MVW	US	Registered	1785592	03-Aug-93	25, 28, 41
WATERWORKS®	MII	MVW	US	Registered	2678787	21-Jan-03	41
FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2264543	27-Jul-99	41
FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2280863	28-Sep-99	24
FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2259168	6-Jul-99	28
FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2255363	22-Jun-99	9

FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2266697	3-Aug-99	25
FALDO GOLF INSTITUTE®	MII	MVW	US	Registered	2262679	20-Jul-99	16
Golfer Logo	MII	MVW	US	Registered	2219037	19-Jan-99	25
Golfer Logo	MII	MVW	US	Registered	2221762	2-Feb-99	28
Golfer Logo	MII	MVW	US	Registered	2219043	19-Jan-99	41
Golfer Logo	MII	MVW	US	Registered	2220577	26-Jan-99	24
Golfer Logo	MII	MVW	US	Registered	2219042	19-Jan-99	18
Golfer Logo	MII	MVW	US	Registered	2221770	2-Feb-99	9
Golfer Logo	MII	MVW	US	Registered	2222893	9-Feb-99	16
NICK’S GRILL®	MII	MVW	US	Registered	2198076	20-Oct-98	42
Willow Creek Bistro	Ritz-Carlton	MVW	US				
Eagle Tree	Ritz-Carlton	MVW	US				

Domain Name

4yesyoucan.com
awardfriend.com
awardfriends.com
bigtimetickets.com
clubexperiencesurvey.com
clubfraction.com
clubfriendshare.com
doanythingsweeps.com
doanythingsweepstakes.com
dreamsvacationgroup.com
dreamvacationgroup.com
dreamvacationgroups.com
dreamvacationsgroup.com
europetimeshare.com
experiencelifeinspired.com
faldogolfinstitute.com
faldogolfinstruction.com

faldogolflesson.com
faldogolfschool.com
faldogolfvacation.com
friendshare.com
friendshareclub.com
gofaldo.com
gofaldo.travel
horizonsbranson.com
horizons-timeshare.com
myvacationclub.asia
my-vacationclub.co.uk
my-vacationclub.com
my-vacationclub.es
myvacationclub.mobi
my-vacationclub.mobi
napasonomasweeps.com
napavalley08sweeps.com
napavalleysweeps.com
prizedfriend.com
prizedfriends.com
registerwithvacationclub.com
surveyvacationclub.com
timeshare.asia
timeshareholiday.com
timeshareholidays.com
timesharehome.com
timesharevacation.com
timeshare-vacation.com
traveltimeshare.com
vacation4life.com
vacationclub.asia

vacationclub.biz
vacationclub.com
vacationclub.es
vacationclub.travel
vacationclubap.com
vacationclubasiapacific.com
vacationclubgroup.com
vacationclubme.com
vacationcluborlando.com
vacationclubpreview.com
vacation-group.com
vacationholiday.asia
vacationholidays.asia
vacationpointsclub.com
vacationpointsclubap.com
vacationportfolio.com
vacationvilla.com
valuedfriend.com
valuedfriends.com
villacert.com
villavacation.com

kauailagoons.com
kauailagoons.net
kauailagoonsgolf.com
kauailagoonsgolf.net
melleniavacationgroup.com
mileniavacationgroup.com
milleniavacationgroup.com
milleniavacationgroups.com
milleniavacationsgroup.com

mvwbenefits.com
mvwbrandpool.com
mvwcareer.com
mvwcareers.com
mvwcarer.com
mvwcarers.com
mvwcarrer.com
mvwcarrers.com
mvwcbenefits.com
mvwcbrandpool.com
mvwchr.com
mvwhr.com
mymvw.com
mymvwbenefits.com
mymvwc.com
mymvwchr.com
mymvwhr.com
owner-survey.com
ownmyvacationclub.com
sales-marcoisland.com
signaturesvacationgroup.com
signaturevacationgroup.com
signaturevacationgroups.com
signaturevacationsgroup.com
signeturevacationgroup.com
signturesvacationgroup.com
signturevacationgroup.com
signturevacationsgroup.com
trabajosmvw.com
yourhomeinlondon.com

Trademark Licenses

License, Services and Development Agreement between Marriott International, Inc., Marriott Worldwide Corporation and Marriott Vacations Worldwide Corporation, dated October 20, 2011

License, Services and Development Agreement between The Ritz-Carlton Hotel Company, LLC and Marriott Worldwide Corporation, dated October 20, 2011

Golf Institute License Agreement between Marriott Ownership Resorts, Inc., Faldo Enterprises US Ltd and Sir Nick Faldo, dated January 1, 2009

Schedule 7

CONTRACTS

Intercompany Agreements

The License, Services and Development Agreement by Marriott International, Inc. and Marriott Worldwide Corporation as licensors and MVWC as licensee, effective as of November 19, 2011

The License, Services and Development Agreement by The Ritz-Carlton Hotel Company, LLC, as licensor and MVWC, as licensee, effective as of November 19, 2011

The Noncompetition Agreement between Marriott International, Inc. and MVWC, dated as of November 21 , 2011

The Marriott Rewards Affiliation Agreement among Marriott International, Inc., Marriott Rewards, LLC, MVWC and Marriott Ownership Resorts, Inc, dated as of November 17 , 2011

The letter agreement dated November 21 , 2011 executed and delivered by Marriott International, Inc. and Marriott Worldwide Corporation as licensors, MVWC as licensee and JPMorgan Chase Bank, N.A. as Administrative Agent

The letter agreement dated November 21 , 2011 executed and delivered by The Ritz-Carlton Hotel Company, LLC as licensor, MVWC as licensee and JPMorgan Chase Bank, N.A. as Administrative Agent

Management Agreement Summary Matrix

Management Entity	Site	Association Name	Initial Term	Length of Initial Term	Initial Term Expiration Date	Auto-Renewal (Y/N)	Renewal Term(s)
Marriott Resorts Hospitality Corporation	Barony	Barony Beach Club Owners' Association, Inc.	03/11/99	approx 9 years	12/31/08	Y	5 successive 5 year terms
Marriott Resorts Hospitality Corporation	BeachPlace	BeachPlace Towers Condominium Association, Inc.	09/23/96 Agr. Date (C.O. Date - 7/31/97)	3 years	07/30/00	Y	unlimited 3 year terms
The Ritz-Carlton Management Company, L.L.C.		Bleu Florida Land Trust Association, Inc.	later of: (i) 5/21/09, (ii) 10/20/09; or (iii) date issuance of Notice of Use Rights	3 years		Y	successive periods of 3 years each
Marriott Resorts Hospitality Corporation	Canyon Villas	Canyon Villas Vacation Owners Association	the date the property is first available for occupancy	5 years	06/14/01 Agr. Date 06/13/06	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Crystal Shores	Crystal Shores Condominium Association, Inc.	Commencement Date 7/6/2008	3 years	07/05/11	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Custom House	Custom House Leasehold Condominium Association, LLC	12/12/96 Agr. Date	60 years	12/11/56	Y	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Cypress Harbour	Cypress Harbour Condominium Association, Inc.	02/21/91	3 years	02/20/94	Y	unlimited 3 year terms

Marriott Resorts Hospitality Corporation	Desert Springs Master	Desert Springs Villas Master Association	the date the original deed conveying the first condo or timeshare is recorded	1 year		Y	1 year terms
Marriott Resorts Hospitality Corporation	Desert Springs I	Desert Springs Villas Timeshare Association	date on which the Original Deed conveying the first Timeshare interest is recorded	3 years		Y	1 year terms
Marriott Resorts Hospitality Corporation	Desert Springs II	Desert Springs Villas II Timeshare Association	date original deed conveying the first timeshare interest is recorded	3 years		Y	1 year terms
Marriott Resorts Hospitality Corporation	Fairway Villas	Fairway Villas at Seaview Condominium Association, Inc.	04/09/02	2 years	04/08/04	Y	10 successive 2 year terms
Marriott Resorts Hospitality Corporation	Grande Chateau	Grand Chateau Owners' Association, Inc.	opening date-first guest stay 04/26/04 Agr. Date	5 years or 1st annual meeting	04/25/09	Y	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	GRC Bay Point	Bay Point Residences Association, Inc.	07/16/07	3 years	07/15/10	Y	3 years
Marriott Resorts Hospitality Corporation	Kauai Lagoons	Association of Owners of Kamamalu Condominium	01/03/09	5 years	01/02/14	Y	unlimited 5 year terms

Marriott Resorts Hospitality Corporation	RGRC Lake Tahoe	GRCLT Condominium, Inc.	date on which original deed conveying first fractional ownership interest is recorded	5 years		Y	3 year term with mutual consent to renew, or 1 year term without any consent
Marriott Resorts Hospitality Corporation	Grande Ocean	Grande Ocean Resort Owners' Association, Inc.	06/03/93	approx 10 years	12/31/03	Y	5 successive 5 year terms
Marriott Resorts Hospitality Corporation	Grande Vista	Grande Vista of Orlando Condominium Association, Inc.	08/15/96 Agr. Date (C.O. Date - 2/17/97)	3 years	02/16/00	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Harbour Club	Harbour Club Owners' Association, Inc.	10/22/04	20 years	10/21/24	N	n/a
Marriott Resorts Hospitality Corporation	Harbour Lake	HAO Condominium Association, Inc.	12/28/00 (C.O. Date)	3 years	12/27/03	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Harbour Pointe	Harbour Pointe Owners' Association, Inc.	01/01/09	5 years	12/31/04	Y	3 successive 5 year terms
Marriott Resorts Hospitality Corporation	Heritage Club	Heritage Club Owners' Association, Inc.	01/01/99	5 years	12/31/04	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Mountain Valley Lodge	Mountain Valley Lodge Resort Owners Association, Inc., Hotel Breckenridge Condominium Association	01/01/95	3 years	12/31/98	Y	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	The Palms (Imperial)	Imperial Palm Villas Condominium Association, Inc.	Later of C.O. or 05/22/95	3 years	05/21/98	Y	unlimited 3 year terms

Marriott Resorts Hospitality Corporation	Kauai Beach Club	Association of Apartment Owners of Marriott's Kauai Resort and Beach Club	03/01/95	1 year	02/28/96	Y (unless (i) manager provides notice or (ii) manager is in default, or (iii) association votes and provides notice	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Kauai Beach Club	Marriott's Kauai Beach Club Owners Association	12/13/95	3 years	12/12/98	Y (unless (i) manager provides notice (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Kauai Lagoons	Kauai Lagoons Community Association	01/01/09 Eff. Date of Agr.	5 years	12/31/13	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Kauai Lagoons	Association of Owners of Kalanipu'u Condominium	01/03/09	5 years	12/31/13	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Kauai Lagoons	Kalanipu'u Vacation Owners Association	04/16/10	5 years	04/15/15	Y	unlimited 3 year terms

Marriott Resorts Hospitality Corporation	Ko Olina Beach Club	Ko Olina Beach Club Vacation Owners Association	12/19/2001 06/12/01 Agr. Date	5 years	12/18/2006 06/11/06	Y (unless (i) manager provides notice (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Lakeshore Reserve	Lakeshore Reserve Condominium Association, Inc.	Commencement Date 4/1/2009	3 years	03/31/12	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Ledgends Edge	Legends Edge Condominium Association, Inc.	4/11/01 (C.O. Date)	3 years	04/10/04	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Manor Club	Manor Club at Ford's Colony Condominium Association	04/02/04	20 years	04/01/24	N	n/a
Marriott Resorts Hospitality Corporation	Manor Club	Manor Club at Ford's Colony Time-Share Association	04/02/04	20 years	04/01/24	N	n/a
Marriott Resorts Hospitality Corporation	Maui Ocean club	Association of Apartment Owners of Maui Ocean Club	06/08/99 Agr. Date	3 years	06/07/02	Y (unless (i) manager provides notice or (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 1 year terms

Marriott Resorts Hospitality Corporation	Maui Ocean club	Maui Ocean Club Vacation Owners Association	12/29/99	3 years	12/28/02	Y (unless (i) manager provides notice (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Monarch	Monarch at Sea Pines Owners' Association, Inc.	12/31/02	10 years	12/30/12	Y	5 successive 5 Fiscal Year terms
Marriott Resorts Hospitality Corporation	Mountain Valley Lodge	Mountain Valley Lodge Resort Owners Association, Inc.	date deed for first interest in Resort recorded	3 years		Y	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	MountainSide	MountainSide Condominium Association, Inc.	date of recording of first deed	3 years		Y	unlimited 1 year terms
Marriott Resorts Hospitality Corporation		MVC Trust Owners Association, Inc.	03/16/10 Date memo recorded	3 years	03/15/13	Y	successive periods of 3 years
Marriott Resorts Hospitality Corporation	Newport Coast	Newport Coast Villas Condominium Association	date deed for first condo or TS interest recorded 05/05/99 Date of Agr.	3 years	05/04/02	Y	1 year terms

Marriott Resorts Hospitality Corporation	Newport Coast	Newport Coast Villas Master Association	date deed for first condo or TS interest recorded 05/05/99 Date of Agr.	3 years	05/04/02	Y	1 year terms
Marriott Resorts Hospitality Corporation	Newport Coast	Newport Coast Villas Timeshare Association	date deed for first TS interest recorded 05/05/99 Date of Agr.	3 years	05/04/02	Y	1 year terms
Marriott Resorts Hospitality Corporation	Ocean Pointe	Ocean Pointe at Beach Palm Beach Shores Condominium Association, Inc.	08/27/98 (Agt. Date) (C.O. Date - 3/11/99)	3 years	8/26/2001 (3/10/02)	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Oceana Palms	Oceana Palms Condominium Association, Inc.	Commencement Date 4/1/2008	3 years	03/31/11	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	OceanWatch	OceanWatch Villas Owners Association	10/13/03	10 years	10/12/13	N	by Manager, at its option, for 5 successive 10 year terms
Marriott Resorts Hospitality Corporation	The Palms (Royal Palms)	Royal Palms of Orlando Condominium Association, Inc.	Later of C.O. or 03/16/88	3 years	03/15/91	Y	unlimited 3 year terms

Marriott Resorts Hospitality Corporation	The Palms (Sabal Palms)	Sabal Palms of Orlando Condominium Association, Inc.	01/09/87	3 years	01/08/90	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Shadow Ridge	Shadow Ridge Condominium Association	date on which the Original Deed conveying the first Timeshare or Condo interest is recorded	5 years		Y	3 year terms
Marriott Resorts Hospitality Corporation	Shadow Ridge	Shadow Ridge Master Association	the date on which the original deed conveying the first condo or timeshare is recorded	5 years		Y	3 year terms
Marriott Resorts Hospitality Corporation	Shadow Ridge	Shadow Ridge Timeshare Association	the date on which the co is issued for the unit represented by the Original Deed conveying the first Timeshare	5 years		Y	3 year terms
Marriott Resorts Hospitality Corporation	Streamside (Birch)	Birch at StreamSide Condominium Association	05/02/06	5 years	05/01/11	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Streamside (Douglas)	Douglas at StreamSide Condominium Association	05/02/06	5 years	05/01/11	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Streamside (Evergreen)	Evergreen at StreamSide Condominium Association	05/02/06	5 years	05/01/11	Y	unlimited 5 year terms

Marriott Resorts Hospitality Corporation	Streamside	Highland P.U.D. Association	01/01/11	5 years	05/01/16	Y	unlimited 5 year terms
Marriott Resorts Hospitality Corporation	Summit Watch	Summit Watch Condominium Owners Association, Inc.	the date the original deed conveying first unit is recorded (Agt. date 7/13/1994)	3 years		Y (unless manager delivers 90 days notice not to extend term)	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Summit Watch	Summit Watch Resort Owners Association, Inc.	the date the original deed conveying first unit is recorded (Agt. date 08/08/1994)	3 years		Y (unless manager delivers 90 days notice not to extend term)	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Sunset Pointe	Sunset Pointe Owners' Association, Inc.	12/06/90	approx 11 years	12/31/03	Y	5 successive 5 year terms
Marriott Resorts Hospitality Corporation	SurfWatch	SurfWatch Owners Association	06/22/04	10 years	06/21/14	N	by Manager, at its option, for 5 successive 10 Fiscal Years terms
Marriott Resorts Hospitality Corporation	Timber Lodge	Timber Lodge Condominium Association	later of: 10/29/01; (ii) 10/24/01; or (iii) C.O. first condominium building	5 years		Y	3 year terms
Marriott Resorts Hospitality Corporation	Timber Lodge	Timber Lodge Timeshare Association	later of: 10/29/01; (ii) 10/24/01; or (iii) C.O. first timeshare building	5 years		Y	3 year terms

Marriott Resorts Hospitality Corporation	The Palms	Vacation Way Recreation Association, Inc.	04/27/95	3 years	04/26/98	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Villas at Doral	Villas at Doral Condominium Association, Inc.	10/27/99 Agr. Date (C.O. Date - 10/23/01)	3 years	10/26/02 (10/22/04)	Y	unlimited 3 year terms
Marriott Resorts Hospitality Corporation	Waiohai Beach Club	Association of Apartment Owners of Waiohai Beach Club	03/14/01	1 year	03/13/04	Y (unless (i) manager provides notice or (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 1 year terms
Marriott Resorts Hospitality Corporation	Waiohai Beach Club	Waiohai Beach Club Vacation Owners Association	11/19/2001 03/20/01 Agr. Date	5 years	11/18/2006 03/19/06	Y (unless (i) manager provides notice or (ii) manager is in default, or (iii) association votes and provides notice)	unlimited 3 year terms

Marriott Resorts Hospitality Corporation	Willow Ridge	HAB Condominium Association, Inc.	10/01/2001 Agr. Date	10 years	09/30/11	Y	unlimited 5 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Aspen	Aspen Highlands Condominium Association, Inc.	(later of) 1/12/01 or C.O. date for first residential building	5 years		Y	5 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Bachelor Gulch	RCC-BG Condominium Association, Inc.	later of: 11/26/02 or C.O. for residential building to be occupied	5 years		Y	3 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Jupiter	Eagle Tree Condominium Association, Inc.	09/02/03	3 years	09/01/06	Y	3 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Jupiter	Eagle Tree Property Owners Association, Inc.	10/01/02	3 years	09/30/05	Y	3 year terms
The Ritz-Carlton Development Company, Inc.	RCC - Kapalua Bay	Kapalua Bay Vacation Owners Association	later of: 6/19/06 or C.O. for any Club Property	5 years		Y	3 year terms
The Ritz-Carlton Development Company, Inc.	RCC - Kapalua Bay	Association of Apartment Owners of Kapalua Bay Condominium	later of: 5/3/06 or C.O. for any Condo Property	1 year		Y	3 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Aspen	Highlands Resort Club Association, Inc.	later of: (i) C.O. for residential building to be occupied; (ii) 6/9/08; or (iii) 3/19/10	5 years		Y	3 year terms

The Ritz-Carlton Management Company, L.L.C.	RCC - Lake Tahoe	Highlands Resort Condominium Association, Inc.	later of: (i) C.O. for residential building to be occupied; (ii) 6/9/09; or (iii) 5/16/08	5 years	Y	3 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - San Francisco	690 Market Club Owners Association	later of: (i) 6/15/06; or (ii) C.O. for any property subject to Club Interest Declaration	5 years	Y	3 years
The Ritz-Carlton Management Company, L.L.C.	RCC - San Francisco	690 Market Master Association	later of: (i) 6/15/06; or (ii) C.O. for any Master Association Property	1 year	Y	1 year
The Ritz-Carlton Management Company, L.L.C.	RCC - San Francisco	690 Market Homeowners Association	later of: (i) 6/15/06; or (ii) C.O. for any property subject to Residential Declaration	1 year	Y	1 year
The Ritz-Carlton Management Company, L.L.C.	RCC - Vail	WDL Vail Club Association, Inc.	later of: (i) 5/30/08; (ii) recording date of fractional declaration; or (iii) C.O. for any of the fractional development	5 years	Y	5 year terms
The Ritz-Carlton Management Company, L.L.C.	RCC - Vail	WDL Vail Condominium Association, Inc.	later of: (i) 12/22/06; (ii) 9/10/10; or (iii) C.O. for first residential building	5 years	Y	5 year terms

Exhibit 99.1

November 2, 2011

Dear Marriott International Shareholder:

We are pleased to inform you that on October 25, 2011, the board of directors of Marriott International, Inc. approved the spin-off of Marriott Vacations Worldwide Corporation, or "Marriott Vacations Worldwide," a wholly owned subsidiary of Marriott International. Upon completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. Marriott Vacations Worldwide will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand. Marriott International will concentrate on the lodging management and franchise business.

We believe that separating Marriott Vacations Worldwide from Marriott International so that it can operate as an independent, publicly owned company is in the best interests of both Marriott International and Marriott Vacations Worldwide. The spin-off will permit both companies to tailor their business strategies to best address market opportunities in their respective industries. Marriott Vacations Worldwide will be positioned to expand faster over time, including through acquisitions of real estate, while Marriott International will further advance its long-standing strategy of separating real estate ownership from management and franchise operations. With two public companies, shareholders will be able to pursue investment goals in either or both companies rather than one combined organization.

The spin-off will be completed by way of a pro rata distribution of Marriott Vacations Worldwide common stock to our shareholders of record as of the close of business, Eastern time, on November 10, 2011, the spin-off record date. Each Marriott International shareholder will receive one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International Class A common stock held by such shareholder on the record date. The distribution of these shares will be made in book-entry form, which means that no physical share certificates will be issued. Following the spin-off, shareholders may request that their shares of Marriott Vacations Worldwide common stock be transferred to a brokerage or other account at any time. No fractional shares of Marriott Vacations Worldwide common stock will be issued. Fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of the sales will be distributed ratably to those shareholders who would otherwise have received fractional shares of Marriott Vacations Worldwide common stock.

The spin-off is subject to certain customary conditions including, among other things, the receipt of a letter ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares. We expect that your receipt of shares of Marriott Vacations Worldwide common stock in the spin-off will be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares. You should consult your own tax advisor as to the particular tax consequences of the distribution to you, including potential tax consequences under state, local and non-U.S. tax laws.

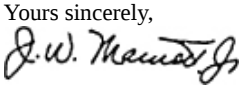
The distribution does not require shareholder approval, nor do you need to take any action to receive your shares of Marriott Vacations Worldwide common stock. Immediately following the spin-off, you will own

common stock in Marriott International and Marriott Vacations Worldwide. Marriott International's Class A common stock will continue to trade on the New York Stock Exchange under the symbol "MAR." The New York Stock Exchange has authorized Marriott Vacations Worldwide common stock for listing under the symbol "VAC."

The enclosed information statement, which we are mailing to all Marriott International shareholders, describes the spin-off in detail and contains important information about Marriott Vacations Worldwide, including its historical combined financial statements. We urge you to read this information statement carefully.

We want to thank you for your continued support of Marriott International. We look forward to your support of Marriott Vacations Worldwide in the future.

Yours sincerely,



J.W. Marriott, Jr.
Chief Executive Officer
Marriott International, Inc.

Marriott Vacations Worldwide Corporation

November 2, 2011

Dear Marriott Vacations Worldwide Shareholder:

It is our pleasure to welcome you as a shareholder of our company, Marriott Vacations Worldwide Corporation or "Marriott Vacations Worldwide." Marriott Vacations Worldwide will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand.

As an independent, publicly owned company, we believe that we will be able to more effectively tailor our business strategies to take advantage of market opportunities in the vacation ownership business and thus will be positioned to expand faster over time.

Marriott Vacations Worldwide common stock will be listed on the New York Stock Exchange under the symbol "VAC" in connection with the distribution of Marriott Vacations Worldwide common stock by Marriott International.

We invite you to learn more about Marriott Vacations Worldwide and our subsidiaries by reviewing the enclosed information statement. We look forward to our future as an independent, publicly owned company and to your support as a holder of Marriott Vacations Worldwide common stock.

Very truly yours,

Stephen P. Weisz
President and Chief Executive Officer
Marriott Vacations Worldwide Corporation

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INFORMATION STATEMENT

MARRIOTT VACATIONS WORLDWIDE CORPORATION

6649 Westwood Blvd.
Orlando, FL 32821

Common Stock
(par value $0.01 per share)

We are sending this information statement to you in connection with the separation of Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide") from Marriott International, Inc. (collectively with its predecessors and consolidated subsidiaries, other than, for all periods following the distribution, Marriott Vacations Worldwide and its consolidated subsidiaries, "Marriott International"), following which Marriott Vacations Worldwide will be an independent, publicly owned company. As part of the separation, Marriott International will undergo an internal reorganization, after which it will complete the separation by distributing all of the shares of Marriott Vacations Worldwide common stock on a pro rata basis to the holders of Marriott International Class A common stock. We refer to this pro rata distribution as the "distribution" and we refer to the separation, including the internal reorganization and distribution, as the "spin-off." We expect that the receipt of shares of Marriott Vacations Worldwide common stock by Marriott International shareholders in the distribution will be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares, and Marriott International has received a private letter ruling from the Internal Revenue Service, and has received an opinion of tax counsel, to that effect. Every ten shares of Marriott International Class A common stock outstanding as of the close of business, Eastern time, on November 10, 2011, the record date for the distribution, will entitle the holder thereof to receive one share of Marriott Vacations Worldwide common stock. The distribution of shares will be made in book-entry form. Marriott International will not distribute any fractional shares of Marriott Vacations Worldwide common stock. Instead, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds from the sales pro rata to each holder who would otherwise have been entitled to receive a fractional share in the spin-off. The distribution will be effective as of 12:01 a.m., Eastern time, on November 21, 2011. Immediately after the distribution becomes effective, we will be an independent, publicly owned company.

No vote or further action of Marriott International shareholders is required in connection with the spin-off. We are not asking you for a proxy. Marriott International shareholders will not be required to pay any consideration for the shares of Marriott Vacations Worldwide common stock they receive in the spin-off, and they will not be required to surrender or exchange shares of their Marriott International Class A common stock or take any other action in connection with the spin-off.

Marriott International currently owns all of the outstanding shares of Marriott Vacations Worldwide common stock. Accordingly, there is no current trading market for Marriott Vacations Worldwide common stock. We expect, however, that a limited trading market for Marriott Vacations Worldwide common stock, commonly known as a "when-issued" trading market, will develop beginning on or shortly before the record date for the distribution, and we expect "regular-way" trading of Marriott Vacations Worldwide common stock will begin the first trading day after the distribution date. The New York Stock Exchange has authorized Marriott Vacations Worldwide common stock for listing under the ticker symbol "VAC."

In reviewing this information statement, you should carefully consider the matters described in "Risk Factors" beginning on page 19 of this information statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this information statement is October 25, 2011.

This Information Statement was first mailed to Marriott shareholders on or about November 2, 2011.

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Unless otherwise specified or the context otherwise requires, each reference in this information statement to the 2011 second quarter means the fiscal quarter ended June 17, 2011, each reference to the 2010 second quarter means the fiscal quarter ended June 18, 2010 and each reference to one of the years listed in the table below means the fiscal year ended on the date shown in the table below, rather than the corresponding calendar year:

Fiscal Year	Fiscal Year-End Date
2010	December 31, 2010
2009	January 1, 2010
2008	January 2, 2009
2007	December 28, 2007
2006	December 29, 2006

Each of the fiscal years in the table above has 52 weeks, except for 2008, which has 53 weeks.

SUMMARY

This summary highlights information contained in this information statement and provides an overview of our company, our separation from Marriott International and the distribution of Marriott Vacations Worldwide common stock by Marriott International to its shareholders. For a more complete understanding of our business and the spin-off, you should read this entire information statement carefully, particularly the discussion set forth under "Risk Factors" beginning on page 19 of this information statement, and our audited and unaudited historical combined financial statements, our unaudited pro forma condensed combined financial statements and the respective notes to those statements appearing elsewhere in this information statement. Except as otherwise indicated or unless the context otherwise requires, "Marriott Vacations Worldwide," "MVW," "we," "us" and "our" refer to Marriott Vacations Worldwide and its consolidated subsidiaries after giving effect to the internal reorganization and the distribution, and "Marriott International" refers to Marriott International, Inc., its predecessors and its consolidated subsidiaries, other than, for all periods following the distribution, Marriott Vacations Worldwide and its consolidated subsidiaries. "Marriott" refers to the Marriott brand. "Ritz-Carlton" refers to The Ritz-Carlton Hotel Company, L.L.C., a wholly owned subsidiary of Marriott International, or to the Ritz-Carlton brand, as the context requires.

Our Company

We are a worldwide developer, marketer, seller and manager of vacation ownership resorts and vacation club, destination club and exchange programs, principally under the "Marriott" and "Ritz-Carlton" brands and trademarks, which we license from Marriott International and Ritz-Carlton. When our spin-off from Marriott International is complete, we expect to be the world's largest company whose business is focused almost entirely on vacation ownership, based on number of owners, number of resorts and revenues.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory. As of December 31, 2010, we had 64 vacation ownership resorts (under 71 separate resort management contracts) in the United States and eight other countries and territories and approximately 400,000 owners of our vacation ownership and residential products.

Under our License Agreement with Marriott International, after the spin-off we will have the exclusive right to develop, market, sell and manage vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. Under our License Agreement with Ritz-Carlton, after the spin-off we will have the exclusive right to develop, market and sell vacation ownership and related products under The Ritz-Carlton Destination Club brand and the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. Ritz-Carlton generally will provide on-site management for Ritz-Carlton branded properties.

Our Competitive Advantages

We believe that we have significant competitive advantages that support our leadership position in the vacation ownership industry.

Leading global "pure-play" vacation ownership company. When the spin-off is complete, we expect to be the world's largest "pure-play" vacation ownership company (that is, a company whose business is focused almost entirely on vacation ownership), based on number of owners, number of resorts and revenues. As a "pure-play" vacation ownership company, we will be able to enhance our focus on the vacation ownership industry and tailor our business strategy to address our company's industry-specific goals and needs. We believe our scale and global reach, coupled with our renowned brands and development, marketing, sales and management expertise,

help us achieve operational efficiencies and support future growth opportunities. Given our size, we can provide owners with a wide variety of experiences within our resort portfolio. We are one of the only vacation ownership companies with a dual product platform; we cater to a diverse range of customers through our upscale tier Marriott branded vacation ownership products and our luxury tier Ritz-Carlton branded vacation ownership products.

Premier global brands. We believe that the exclusive licenses of the Marriott and Ritz-Carlton brands we will enter into for use in the vacation ownership business will provide us with a meaningful competitive advantage. Marriott International is a leading lodging company with over 3,500 properties in 70 countries and territories, including Marriott and Ritz-Carlton branded properties. Consumer confidence in these renowned brands helps us attract and retain guests and owners. In addition, we provide our customers with access to the award-winning Marriott Rewards customer loyalty program. We also utilize the Marriott and Ritz-Carlton websites, www.marriott.com and www.ritzcarlton.com, as relatively low-cost marketing tools to introduce Marriott and Ritz-Carlton guests to our products and rent available inventory.

Loyal, highly satisfied customers. We have a large, highly satisfied customer base. In 2010, based on nearly 210,000 survey responses, 90 percent of respondents indicated that they were highly satisfied with our products, sales, owner services and their on-site experiences (by selecting 8, 9 or 10 on a 10-point scale). We believe that strong customer satisfaction and brand loyalty result in more frequent use of our products and encourage owners to purchase additional products and to recommend our products to friends and family, which in turn generates higher revenues. Historically, approximately 50 percent of our business has come from sales of additional products to our owners or sales to friends and family referred to us by our owners.

Long-standing track record, experienced management and engaged associates. We have been a pioneer in the vacation ownership industry since 1984, when Marriott International became the first company to introduce a lodging-branded vacation ownership product. Our seasoned management team is led by Stephen P. Weisz, our President and Chief Executive Officer, who has served as President of our company since 1997 and has 39 years of experience at Marriott International. William J. Shaw, the Chairman of our Board, is the former Vice Chairman, President and Chief Operating Officer of Marriott International and has 36 years of experience at Marriott International. We believe our management team's extensive public company and vacation ownership industry experience will enable us to continue to respond quickly and effectively to changing market conditions and consumer trends. Management's experience in the highly regulated vacation ownership industry should also provide us with a competitive advantage in expanding product forms and developing new ones. In addition, we believe that our associates provide superior customer service, which enhances our competitive position. We leverage outstanding associate engagement and strong corporate culture to deliver positive customer experiences in sales, marketing and resort operations.

Our Business Strategy

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. To achieve this goal, we are pursuing the following initiatives:

Drive profitable sales growth. We intend to continue to generate growth in vacation ownership sales by leveraging our globally recognized brand names and focusing on our approximately 400,000 owners around the world. Since the launch of the Marriott Vacation Club Destinations™ ("MVCD") points-based program in 2010, we have been focused on educating our existing owners about, and enrolling them in, the program. We are now turning our focus toward generating a greater number of new owners. We are well-positioned to grow our stable and recurring revenue streams by capitalizing on the growth of vacation ownership sales to generate associated management and other fees and financing revenues. We expect to continue to offer our customers attractive financing alternatives, and we believe that by opportunistically securitizing loans and receivables, we can enhance our profitability and liquidity. As we expand our points-based system, we also expect to generate additional fee revenues because our owners pay us annual fees to participate in the program.

Maximize cash flow and optimize our capital structure. Through the use of our points-based products, we are able to more closely match inventory development with sales pace and reduce inventory levels, thereby improving our cash flows over time. Additionally, by limiting the amount of completed inventory on hand, we are able to reduce the maintenance fees that we pay on unsold units. Over the last few years, we have significantly reduced our overhead costs, and we intend to continue to control costs as sales volumes grow. We expect our modest level of debt and limited near-term capital needs will enable us to maintain a level of liquidity that ensures financial flexibility, giving us the ability to pursue strategic growth opportunities, withstand potential future economic downturns and optimize our cost of capital.

Focus on our owners, guests and associates. We are in the business of providing high-quality vacation experiences to our owners and guests around the world. We intend to maintain and improve their satisfaction with our products and services, particularly since our owners and guests are our most cost-effective sales channels. We intend to continue to sell our products through these very effective channels and believe that maintaining a high level of engagement across all of our customer groups is key to our success. In addition, engaging our employees, whom we refer to as "associates," in the success of our business continues to be one of our long-term core strategies. At the heart of Marriott International's culture is the belief that if a company takes care of its associates, they will take care of the company's guests and the guests will return again and again. This belief will continue to be at the core of our strategy.

Opportunistically dispose of excess assets and selectively pursue "asset light" deal structures. We intend to dispose of certain excess assets, the majority of which consist of undeveloped land holdings, over the next few years and deploy the capital from these sales more effectively. While we do not need to develop new resorts at this time, we intend to selectively pursue growth opportunities by targeting high-quality inventory sources that allow us to add desirable new locations to our system as well as new sales locations through transactions that do not involve or limit our capital investment. These "asset light" deals could be structured as turn-key developments with third-party partners, purchases of constructed inventory just prior to sale, or fee-for-service arrangements.

See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Selectively pursue compelling new business opportunities. As an independent company, we are positioned to explore new business opportunities, such as development of our exchange activities, new management affiliations and select higher margin on-site ancillary businesses, that we may not have previously pursued as part of Marriott International. We intend to selectively pursue these types of opportunities with a focus on driving recurring streams of revenue and profit. Prior to entering into any new business, we will evaluate its strategic fit and assess whether it is complementary to our current business, has strong expected financial returns and leverages our existing competencies.

Other Information

Marriott Vacations Worldwide Corporation was incorporated in Delaware in June 2011. Our principal executive offices are located at 6649 Westwood Blvd., Orlando, FL 32821. Our telephone number is (407) 206-6000. Our website address is www.marriottvacationsworldwide.com. Information contained on, or connected to, our website or Marriott International's website does not and will not constitute part of this information statement or the registration statement on Form 10 of which this information statement is a part.

The Spin-Off

Overview

On October 25, 2011, the board of directors of Marriott International approved the spin-off of Marriott Vacations Worldwide from Marriott International, following which Marriott Vacations Worldwide will be an independent, publicly owned company.

Before our spin-off from Marriott International, we will enter into a Separation and Distribution Agreement, License Agreements and several other agreements with Marriott International and its subsidiaries related to the spin-off. These agreements will govern the relationship between us and Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of various assets, liabilities and obligations (including intellectual property, employee benefits, information technology, insurance and tax-related assets and liabilities). See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off."

The distribution of Marriott Vacations Worldwide common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. In addition, Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, the board of directors of Marriott International determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for Marriott Vacations Worldwide to separate from Marriott International. See "The Spin-Off—Conditions to the Spin-Off."

Questions and Answers About the Spin-Off

The following provides only a summary of the terms of the spin-off. For a more detailed description of the matters described below, see "The Spin-Off."

Q: *What is the spin-off?*

A: The spin-off is the method by which Marriott Vacations Worldwide will separate from Marriott International. To complete the spin-off, Marriott International will distribute to its shareholders all of the shares of Marriott Vacations Worldwide common stock. We refer to this as the distribution. Following the spin-off, Marriott Vacations Worldwide will be a separate company from Marriott International, and Marriott International will not retain any ownership interest in Marriott Vacations Worldwide. The number of shares of Marriott International Class A common stock ("Marriott International common stock") you own will not change as a result of the spin-off.

Q: *What is Marriott Vacations Worldwide?*

A: Marriott Vacations Worldwide is a wholly owned subsidiary of Marriott International whose shares will be distributed to Marriott International shareholders if we complete the spin-off. After we complete the spin-off, Marriott Vacations Worldwide will be a public company. Marriott Vacations Worldwide will be the exclusive developer, marketer, seller and manager of vacation ownership and related products under the Marriott brand and the exclusive developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton brand.

Q: *What will I receive in the spin-off?*

A: As a holder of Marriott International stock, you will retain your Marriott International shares and will receive one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock you own as of the record date. Your proportionate interest in Marriott International will not change as a result of the spin-off. For a more detailed description, see "The Spin-Off."

Q: *When is the record date for the distribution?*

A: The record date will be the close of business of the New York Stock Exchange (the "NYSE") on November 10, 2011.

Q: *When will the distribution occur?*

A: The distribution date of the spin-off is November 21, 2011. Marriott Vacations Worldwide expects that it will take the distribution agent, acting on behalf of Marriott International, up to one week after the distribution date to fully distribute the shares of Marriott Vacations Worldwide common stock to Marriott International shareholders. The ability to trade Marriott Vacations Worldwide shares will not be affected during that time.

Q: *What are the reasons for and benefits of separating Marriott Vacations Worldwide from Marriott International?*

A: Marriott International believes the spin-off will provide a number of benefits, including: (1) enhanced strategic and management focus for each company; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; (3) the ability to implement a tailored approach to recruiting and retaining employees at each company; (4) improved investor understanding of the business strategy and operating results of each company; and (5) investor choice. For a more detailed discussion of the reasons for the spin-off, see "The Spin-Off—Reasons for the Spin-Off."

Q: *What is being distributed in the spin-off?*

A: Approximately 33,632,000 shares of Marriott Vacations Worldwide common stock will be distributed in the spin-off, based on the number of shares of Marriott International common stock expected to be outstanding as of the record date. The actual number of shares of Marriott Vacations Worldwide common stock to be distributed will be calculated on November 10, 2011, the record date. The shares of Marriott Vacations Worldwide common stock to be distributed by Marriott International will constitute all of the issued and outstanding shares of Marriott Vacations Worldwide common stock immediately prior to the distribution. For more information on the shares being distributed in the spin-off, see "Description of Capital Stock—Common Stock."

Q: *What do I have to do to participate in the spin-off?*

A: You do not need to take any action, although we urge you to read this entire document carefully. No shareholder approval of the distribution is required or sought. You are not being asked for a proxy. No action is required on your part to receive your shares of Marriott Vacations Worldwide common stock. You will not be required to pay anything for the new shares or to surrender any shares of Marriott International common stock to participate in the spin-off.

Q: *How will fractional shares be treated in the spin-off?*

A: Fractional shares of Marriott Vacations Worldwide common stock will not be distributed. Fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled will be aggregated and sold in the public market by the distribution agent at prevailing market prices. The distribution agent, in its sole discretion, will determine when, how and through which broker-dealers, provided, that such broker-dealers are not affiliates of Marriott International or Marriott Vacations Worldwide, and at what prices to sell these shares. The aggregate net cash proceeds of the sales will be distributed ratably to those shareholders who would otherwise have received fractional shares of Marriott Vacations Worldwide common stock. See "The Spin-Off—Treatment of Fractional Shares" for a more detailed explanation. Receipt by a shareholder of proceeds from these sales in lieu of a fractional share generally will result in a taxable gain or loss to such shareholder for U.S. federal income tax purposes. Each shareholder entitled to receive cash proceeds from the sale of fractional shares should consult his, her or its own tax advisor as to the tax consequences of the receipt of such cash proceeds based on such shareholder's particular circumstances. We describe the material U.S. federal income tax consequences of the distribution in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Q: *How will the spin-off affect share-based awards held by Marriott International employees?*

A: Each Marriott International stock option and stock appreciation right ("SAR") will be converted into an adjusted Marriott International stock option or SAR and a Marriott Vacations Worldwide stock option or SAR. The exercise prices of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs, and the number of shares subject to such awards, will reflect a mechanism that is intended to preserve the intrinsic value of the original Marriott International stock options and SARs. The terms and conditions of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs will be substantially similar to the terms and conditions applicable to the original Marriott International stock options and SARs.

Persons holding Marriott International stock awards other than Marriott International stock options and SARs will receive Marriott Vacations Worldwide stock awards in a ratio of one share of Marriott Vacations Worldwide common stock subject to Marriott Vacations Worldwide stock awards for every ten shares of Marriott International common stock subject to the Marriott International stock awards, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott International stock awards. The original Marriott International stock awards will continue to remain outstanding in accordance with their material terms and conditions. This adjustment providing for Marriott Vacations Worldwide stock awards is intended to preserve the aggregate fair market value of the Marriott International stock awards.

For more information on the treatment of share-based awards, see "The Spin-Off—Treatment of Share-Based Awards."

Q: *Will the spin-off be taxable to Marriott International or Marriott International shareholders?*

A: The spin-off is conditioned on the receipt by Marriott International of a private letter ruling from the Internal Revenue Service ("IRS"), and an opinion from its tax counsel, that, for U.S. federal income tax purposes, the distribution of shares of Marriott Vacations Worldwide common stock will be tax-free to Marriott International and Marriott International shareholders under Sections 368(a)(1)(D) and/or 355 of the Internal Revenue Code of 1986 (the "Code"), except for any cash payments made to Marriott International shareholders in lieu of fractional shares of Marriott Vacations Worldwide common stock. We describe the material tax consequences of the spin-off to shareholders in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Q: *Will the Marriott Vacations Worldwide common stock be listed on a stock exchange?*

A: Yes. Although there is no current public market for Marriott Vacations Worldwide common stock, before completion of the spin-off, Marriott Vacations Worldwide will list its common stock on the NYSE under the symbol "VAC." We anticipate that trading of Marriott Vacations Worldwide common stock will commence on a "when-issued" basis beginning on or shortly before the record date. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. When-issued trades generally settle within four trading days after the distribution date. On the first trading day following the distribution date, any when-issued trading of Marriott Vacations Worldwide common stock will end and "regular-way" trading will begin. "Regular-way" trading refers to trading after a security has been issued and typically involves a transaction that settles on the third full trading day following the date of the transaction. See "Trading Market" for more information.

Q: *Will my shares of Marriott International common stock continue to trade?*

A: Yes. Marriott International common stock will continue to be listed and trade on the NYSE under the symbol "MAR."

Q: *If I sell, on or before the distribution date, shares of Marriott International common stock that I held on the record date, am I still entitled to receive shares of Marriott Vacations Worldwide common stock distributable with respect to the shares of Marriott International common stock I sold?*

A: Beginning on or shortly before the record date and continuing through the distribution date for the spin-off, Marriott International's common stock will begin to trade in two markets on the NYSE: a "regular-way" market and an "ex-distribution" market. If you are a holder of record of shares of Marriott International common stock as of the record date for the distribution and choose to sell those shares in the regular-way market after the record date for the distribution and before the distribution date, you also will be selling the right to receive shares of Marriott Vacations Worldwide common stock in connection with the spin-off. However, if you are a holder of record of shares of Marriott International common stock as of the record date for the distribution and choose to sell those shares in the ex-distribution market after the record date for the distribution and before the distribution date, you will not be selling the right to receive shares of Marriott Vacations Worldwide common stock in connection with the spin-off and you will still receive shares of Marriott Vacations Worldwide common stock.

Q: *Will the spin-off affect the trading price of my Marriott International stock?*

A: Yes, we expect the trading price of shares of Marriott International common stock immediately following the distribution will be lower than immediately prior to the distribution because it will no longer reflect the value of the vacation ownership business. However, we cannot provide you with any assurance as to the price at which the Marriott International shares will trade following the spin-off.

Q: *What are the financing plans for Marriott Vacations Worldwide?*

A: We have entered into two revolving credit facilities: (1) a secured revolving corporate credit facility with borrowing capacity of $200 million to provide support for our business, including ongoing liquidity and letters of credit (the "Revolving Corporate Credit Facility") and (2) a secured warehouse credit facility with a borrowing capacity of $300 million to provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests (the "Warehouse Credit Facility"). We also plan to periodically securitize, through special purpose entities, receivables originated in connection with the sale of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, Inc. ("MVW US Holdings"), will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International that Marriott International will sell to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for more information.

Q: *What will the relationship be between Marriott International and Marriott Vacations Worldwide after the spin-off?*

A: Following the spin-off, Marriott Vacations Worldwide will be an independent, publicly owned company and Marriott International will have no continuing stock ownership interest in Marriott Vacations Worldwide. In conjunction with the spin-off, Marriott Vacations Worldwide will have entered into a Separation and Distribution Agreement and several other agreements with Marriott International for the purpose of allocating between Marriott Vacations Worldwide and Marriott International various assets, liabilities and obligations (including employee benefits, intellectual property, insurance and tax-related assets and liabilities). These agreements will also govern Marriott Vacations Worldwide's relationship with Marriott International following the spin-off and will include non-competition covenants and provide arrangements for trademark licensing and other intellectual property matters, employee matters, tax matters, insurance matters and other liabilities and obligations attributable to periods before and, in some cases, after the spin-off. These agreements will also include arrangements for transitional services. The Separation and

Distribution Agreement will provide that Marriott Vacations Worldwide will indemnify Marriott International against any and all liabilities arising out of Marriott Vacations Worldwide's business, and that Marriott International will indemnify Marriott Vacations Worldwide against any and all liabilities arising out of Marriott International's non-vacation ownership business. We describe these agreements in more detail under "Certain Relationships and Related Party Transactions."

Q: *What rights will Marriott Vacations Worldwide have with respect to use of the Marriott International and Ritz-Carlton names?*

A: We will enter into two License Agreements, one with Marriott International and one with Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott International and Ritz-Carlton names, respectively, in the vacation ownership business for the term of the agreement. Each License Agreement also will provide that we must comply with certain physical and operating brand standards and maintain minimum guest satisfaction levels. We will agree to pay royalties to Marriott International and Ritz-Carlton under the License Agreements, including a fixed annual fee of $50 million to Marriott International and certain variable fees to Marriott International and Ritz-Carlton based on our sales volumes. The License Agreements will also require us to obtain Marriott International's or Ritz-Carlton's consent, as applicable, to use the Marriott International or Ritz-Carlton trademarks in connection with resorts, residences or other accommodations that we acquire or develop after the distribution date. For more information, see "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property."

Q: *What will Marriott Vacations Worldwide's dividend policy be after the spin-off?*

A: Marriott Vacations Worldwide does not currently intend to pay dividends. Marriott Vacations Worldwide's dividend policy will be established by the Marriott Vacations Worldwide board of directors (the "Board") based on Marriott Vacations Worldwide's financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that Marriott Vacations Worldwide's Board considers relevant. In addition, the terms of the agreements governing our new debt or debt that we may incur in the future may limit or prohibit the payments of dividends. For more information, see "Dividend Policy."

Q: *What are the anti-takeover effects of the spin-off?*

A: Some provisions of Delaware law, the Restated Certificate of Incorporation of Marriott Vacations Worldwide (our "Charter") and the Restated Bylaws of Marriott Vacations Worldwide (our "Bylaws"), as each will be in effect immediately following the spin-off, and certain of our agreements with Marriott International, may have the effect of making it more difficult to acquire control of Marriott Vacations Worldwide in a transaction not approved by Marriott Vacations Worldwide's Board. For example, our Charter and Bylaws will provide for a classified board, require advance notice for shareholder proposals and nominations, place limitations on convening shareholder meetings and authorize our Board to issue one or more series of preferred stock. In addition, our License Agreements with Marriott International and Ritz-Carlton will provide that we may not agree to effect a change in control without the consent of Marriott International or Ritz-Carlton, respectively. See "Description of Capital Stock—Anti-Takeover Effects of Provisions of Our Charter and Bylaws" and "Description of Capital Stock—Section 203 of the Delaware General Corporation Law" for more information.

Q: *What are the risks associated with the spin-off?*

A: There are a number of risks associated with the spin-off and ownership of Marriott Vacations Worldwide common stock. We discuss these risks under "Risk Factors" beginning on page 19.

Q: *Where can I get more information?*

A. If you have any questions relating to the mechanics of the distribution, you should contact the distribution agent at:

BNY Mellon Shareowner Services
480 Washington Blvd.
Jersey City, NJ 07310
Phone: (800) 311-4816

Before the spin-off, if you have any questions relating to the spin-off, you should contact Marriott International at:

Marriott International, Inc.
Investor Relations
Dept. 52/862
10400 Fernwood Road
Bethesda, Maryland 20817
Phone: (301) 380-6500
Email: investorrelations@marriott.com
www.marriott.com/investor

After the spin-off, if you have any questions relating to Marriott Vacations Worldwide, you should contact Marriott Vacations Worldwide at:

Marriott Vacations Worldwide Corporation
Investor Relations
6649 Westwood Blvd.
Orlando, FL 32821
Phone: (407) 206-6000
Email: investor@mvwc.com
www.marriottvacationsworldwide.com

Summary of the Spin-Off	
Distributing Company	Marriott International, Inc., a Delaware corporation. After the distribution, Marriott International will not own any shares of Marriott Vacations Worldwide common stock.
Distributed Company	Marriott Vacations Worldwide Corporation, a Delaware corporation and a wholly owned subsidiary of Marriott International. After the spin-off, Marriott Vacations Worldwide will be an independent, publicly owned company.
Distributed Securities	All of the shares of Marriott Vacations Worldwide common stock owned by Marriott International, which will be 100% of Marriott Vacations Worldwide common stock issued and outstanding immediately prior to the distribution.
Record Date	The record date for the distribution is the close of business on November 10, 2011.
Distribution Date	The distribution date is November 21, 2011.
Internal Reorganization	As part of the spin-off, Marriott International will undergo an internal reorganization that will, among other things, result in Marriott Vacations Worldwide owning the entities that conduct Marriott International's vacation ownership business. For more information, see the description of this internal reorganization in "The Spin-Off—Manner of Effecting the Spin-Off—Internal Reorganization."
Indebtedness and Other Financing Arrangements	We have entered into two secured revolving credit facilities: (1) the Revolving Corporate Credit Facility, a revolving credit facility with a borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity and letters of credit, and (2) the Warehouse Credit Facility, a revolving credit facility with a borrowing capacity of $300 million that provides short-term financing for receivables we originate in connection with the sale of vacation ownership interests. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany account balances. We entered into the Revolving Corporate Credit Facility on October 20, 2011. Following the distribution, we also plan to periodically securitize notes receivable that we originate in connection with our sales of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International redeemable by MVW US Holdings upon the tenth anniversary of the date of issuance. Marriott International will sell all of the preferred stock to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for more information.
Distribution Ratio	Each holder of Marriott International common stock will receive one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock held on November 10, 2011.

The Distribution	On the distribution date, Marriott International will release the shares of Marriott Vacations Worldwide common stock to the distribution agent to distribute to Marriott International shareholders. The shares will be distributed in book-entry form, which means that no physical share certificates will be issued. We expect that it will take the distribution agent up to one week to electronically issue shares of Marriott Vacations Worldwide common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Any delay in the electronic issuance of Marriott Vacations Worldwide shares by the distribution agent will not affect trading in Marriott Vacations Worldwide common stock. Following the spin-off, shareholders who hold their shares in book-entry form may request that their shares be transferred to a brokerage or other account at any time. You will not be required to make any payment, surrender or exchange your shares of Marriott International common stock or take any other action to receive your shares of Marriott Vacations Worldwide common stock.
Fractional Shares	The distribution agent will not distribute any fractional shares of Marriott Vacations Worldwide common stock to Marriott International shareholders, but will instead aggregate all fractional shares of Marriott Vacations Worldwide common stock to which Marriott International shareholders of record would otherwise be entitled and sell them in the public market. The distribution agent will then aggregate the net cash proceeds of the sales and distribute those proceeds ratably to those shareholders who would otherwise have received fractional shares. Shareholders' receipt of cash in lieu of fractional shares from these sales generally will result in a taxable gain or loss to those shareholders for U.S. federal income tax purposes. Each shareholder entitled to receive cash proceeds from these fractional shares should consult his, her or its own tax advisor as to the tax consequences of the receipt of such cash proceeds based on such shareholder's particular circumstances. We describe the material tax consequences of the distribution in more detail under "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."
Conditions to the Spin-Off	Completion of the spin-off is subject to the satisfaction or waiver by Marriott International of the following conditions: • the board of directors of Marriott International, in its sole and absolute discretion, has authorized and approved the spin-off (including the internal reorganization) and not withdrawn such authorization and approval, and has declared the dividend of the common stock of Marriott Vacations Worldwide to Marriott International shareholders; • the Separation and Distribution Agreement and each ancillary agreement contemplated by the Separation and Distribution Agreement have been executed by each party thereto; • Marriott Vacations Worldwide's registration statement on Form 10, of which this information statement is a part, has

become effective under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), no stop order suspending that effectiveness is in effect, and no proceedings for such purpose are pending before or threatened by the Securities and Exchange Commission (the "SEC");

- Marriott Vacations Worldwide common stock has been accepted for listing on a national securities exchange approved by Marriott International, subject to official notice of issuance;
- the internal reorganization (as described in "The Spin-Off—Manner of Effecting the Spin-Off—Internal Reorganization") has been completed;
- Marriott International has received an opinion from its tax counsel, in form and substance acceptable to Marriott International, and a private letter ruling from the IRS, each of which remains in full force and effect, that the distribution of shares of Marriott Vacations Worldwide common stock will not result in recognition, for U.S. federal income tax purposes, of income, gain or loss to Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares of Marriott Vacations Worldwide common stock;
- this information statement has been mailed to the Marriott International shareholders;
- Marriott Vacations Worldwide's restated certificate of incorporation and restated bylaws, each in the form filed as exhibits to the Form 10 of which this information statement is a part, are in effect;
- Marriott Vacations Worldwide's board of directors consists of the individuals identified in this information statement as directors of Marriott Vacations Worldwide;
- Marriott Vacations Worldwide has received resignations, effective immediately after the distribution, of each individual (other than Deborah Marriott Harrison) who will be an employee of Marriott International or one of its subsidiaries after the distribution and who will be an officer or director of Marriott Vacations Worldwide or one of its subsidiaries immediately prior to the distribution;
- Marriott Vacations Worldwide has entered into the Revolving Corporate Credit Facility and the Warehouse Credit Facility;
- Marriott International has received an opinion, in form and substance acceptable to Marriott International, as to the solvency of Marriott International and Marriott Vacations Worldwide;
- no order, injunction or decree that would prevent the consummation of the distribution is threatened, pending or

	issued (and still in effect) by any governmental authority of competent jurisdiction, no other legal restraint or prohibition preventing consummation of the distribution is pending, threatened, issued or in effect and no other event has occurred or failed to occur that prevents the consummation of the distribution; and • any material governmental approvals and other consents necessary to consummate the spin-off have been obtained. The fulfillment of these conditions will not create any obligation on Marriott International's part to effect the spin-off. Except as described above, we are not aware of any material federal or state regulatory requirements that must be complied with or any material approvals that must be obtained in connection with the distribution. Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, Marriott International's board of directors determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for Marriott Vacations Worldwide to separate from Marriott International. For more information, see "The Spin-Off—Conditions to the Spin-Off."
Trading Market and Symbol	The NYSE has authorized the listing of Marriott Vacations Worldwide common stock under the ticker symbol "VAC." We anticipate that, beginning on or shortly before the record date, trading of shares of Marriott Vacations Worldwide common stock will begin on a "when-issued" basis and will continue up to and including the distribution date, and we expect "regular-way" trading of Marriott Vacations Worldwide common stock will begin the first trading day after the distribution date. We also anticipate that, beginning on or shortly before the record date, there will be two markets in Marriott International common stock: a regular-way market on which shares of Marriott International common stock will trade with an entitlement to shares of Marriott Vacations Worldwide common stock to be distributed in the distribution, and an "ex-distribution" market on which shares of Marriott International common stock will trade without an entitlement to shares of Marriott Vacations Worldwide common stock. For more information, see "Trading Market."
Material U.S. Federal Income Tax Consequences	Marriott International has received a private letter ruling from the IRS, and an opinion from its tax counsel, to the effect that Marriott International and its shareholders will not recognize any income, gain or loss for U.S. federal income tax purposes as a result of the distribution of shares of Marriott Vacations Worldwide common stock, except for any cash received by such shareholders in lieu of fractional shares of Marriott Vacations Worldwide common stock. For a more detailed description of the material U.S. federal income tax consequences of the distribution to shareholders, see "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

	We urge each shareholder to consult his, her or its tax advisor as to the specific tax consequences of the distribution to such shareholder, including the effect of any state, local or non-U.S. tax laws and of changes in applicable tax laws.
Relationship with Marriott International after the Spin-Off	We will enter into a Separation and Distribution Agreement and other agreements with Marriott International related to the spin-off. These agreements will govern our relationship with Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of various assets, liabilities and obligations (including employee benefits, intellectual property, insurance and tax-related assets and liabilities). The Separation and Distribution Agreement, in particular, will provide for the settlement or extinguishment of certain obligations between us and Marriott International. We also will enter into License Agreements with Marriott and Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in the vacation ownership business for the term of the agreement. In addition, we will enter into Transition Services Agreements with Marriott International under which Marriott International will provide us with certain services on an interim basis following the distribution. We also will enter into an Employee Benefits and Other Employment Matters Allocation Agreement that will set forth our agreements with Marriott International concerning certain employee compensation and benefit matters. Further, we will enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will agree on the sharing of taxes incurred before and after completion of the spin-off, certain indemnification rights for tax matters and certain restrictions to preserve the tax-free status of the spin-off and the intended tax treatment of certain related transactions. After the spin-off, Ritz-Carlton will continue to manage the Ritz-Carlton branded properties under on-site management agreements. Finally, we will enter into a Non-Competition Agreement with Marriott International under which we and Marriott International each will agree not to compete with the other company's business for the term of the agreement, subject to certain exceptions. We describe these arrangements in greater detail under "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off," and describe some of the risks of these arrangements under "Risk Factors—Risks Relating to the Spin-Off."
Certain Restrictions	In general, under the Tax Sharing and Indemnification Agreement we will enter into with Marriott International, we may not take any action that would jeopardize the favorable tax treatment of the distribution. In addition, except in certain specified transactions, we may not during a two-year period following the distribution, sell, issue or redeem our equity securities or sell or dispose of a substantial portion of our assets or liquidate, merge or consolidate with any other

	person unless we have obtained the approval of Marriott International or provided Marriott International with an IRS ruling or an unqualified opinion of tax counsel to the effect that such sale, issuance or redemption or other identified transaction will not affect the tax-free nature of the distribution.
Dividend Policy	Marriott Vacations Worldwide does not currently intend to pay dividends. Our Board will establish our dividend policy based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. In addition, the terms of the agreements governing our new debt or debt that we may incur in the future may limit or prohibit the payments of dividends. For more information, see “Dividend Policy.”
Transfer Agent	BNY Mellon Shareowner Services
Risk Factors	We face both general and specific risks and uncertainties relating to our business, our relationship with Marriott International and our being an independent, publicly owned company. We also are subject to risks relating to the spin-off. You should carefully read “Risk Factors” beginning on page 19 of this information statement.

Summary Historical Combined Financial Data

The following tables present a summary of selected historical combined financial data for the periods indicated below. The selected historical combined statements of operations for the fiscal years 2007 and 2006 and the selected combined balance sheet data for fiscal years 2008, 2007 and 2006 are derived from our unaudited combined financial statements, which are not included in this information statement. The selected historical combined statements of operations for each of the three fiscal years 2010, 2009 and 2008, and the selected combined balance sheet data for fiscal years 2010 and 2009 are derived from our audited Combined Financial Statements, which are included elsewhere in this information statement.

The selected historical combined financial data for the first fiscal halves of 2011 and 2010 are derived from our unaudited interim Combined Financial Statements, which are included elsewhere in this information statement. We have prepared our unaudited combined financial statements on the same basis as our audited financial statements and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited periods. The selected historical combined financial data as of and for the first fiscal halves of 2011 and 2010 are not necessarily indicative of the results that may be obtained for a full year.

Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as a public company that we do not incur as a private company.

The financial statements included in this information statement may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during all periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance. The following table includes EBITDA and Adjusted EBITDA, which are financial measures we use in our business that are not calculated or presented in accordance with U.S. generally accepted accounting principles (“GAAP”), but we believe these measures are useful to help investors understand our results of operations. We explain these measures and reconcile them to their most directly comparable financial measures calculated and presented in accordance with GAAP in Footnote No. 4 to the following table.

In presenting the financial data in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates,” included elsewhere in this information statement for detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Between 2006 and 2010, we completed a number of acquisitions and dispositions, the results of operations and financial position of which have been included beginning from the relevant acquisition or disposition dates. See Footnote No. 7, “Acquisitions and Dispositions,” of the Notes to our annual Combined Financial Statements for a more detailed discussion of these acquisitions and dispositions.

In 2009 and 2008, we incurred restructuring charges of $44 million and $19 million, respectively. In addition, we recorded an impairment reversal of $5 million in the 2011 first half and impairment charges related to inventory and property and equipment in 2010, 2009 and 2008 of $15 million, $623 million and $44 million, respectively. We also recorded an equity investment impairment charge in 2009 of $138 million and an impairment reversal of $11 million in 2010 related to our investment in and loans to one joint venture and our

estimated liability to fund its losses. See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements for more detailed discussions of these items. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

The following selected historical financial and other data should be read in conjunction with “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Certain Relationships and Related Party Transactions” and our Combined Financial Statements and related notes included elsewhere in this information statement.

	Twenty-four Weeks Ended		Fiscal Years				
($ in millions)	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Statement of operations data:							
Total revenues	$ 751	$ 745	$1,584	$1,596	$1,916	$2,240	$1,971
Total revenues net of total expenses	61	55	88	(615)	(2)	274	250
Net income (loss) attributable to MVW	35	30	67	(521)	9	178	60
Balance sheet data (end of period):							
Total assets	3,492	3,801	3,642	3,036	3,811	3,297	2,733
Total debt	898	1,005	1,022	59	85	132	5
Total liabilities	1,576	1,705	1,738	813	965	1,038	883
Divisional equity	1,916	2,096	1,904	2,223	2,846	2,259	1,850
Other data:							
EBITDA[4]	$ 100	$ 94	$ 207	$ (720)	$ 55	$ 323	$ 129
Adjusted EBITDA[4]	$ 78	$ 61	$ 155	$ 85	$ 118	$ 323	$ 129
Contract sales[3]:							
Vacation ownership	306	329	692	736	1,133	1,352	1,345
Residential products	2	10	13	12	58	49	287
Total before cancellation allowance	308	339	705	748	1,191	1,401	1,632
Cancellation allowance	1	(14)	(20)	(83)	(115)	—	—
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076	$1,401	$1,632

(1) We adopted the new Consolidation Standard in our 2010 first quarter, which significantly increased our reported notes receivable and debt. See Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

(2) We adopted certain provisions of Accounting Standards Codification Topic 978 (previously Statement of Position 04-2, “Accounting for Real Estate Time Sharing Transactions”), in our 2006 first quarter, which we reported in our Statement of Operations as a cumulative effect of change in accounting principle.

(3) Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

(4) EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which

they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

The following is a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Twenty-four Weeks Ended		Fiscal Years				
	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)	$177	$ 60
Interest Expense	22	28	56	—	—	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25	107	29
Depreciation and amortization	17	18	39	43	46	39	40
EBITDA	100	94	207	(720)	55	323	129
Restructuring expenses	—	—	—	44	19	—	—
Impairment charges:							
Impairments	—	(5)	15	623	44	—	—
Equity investment impairments	—	—	(11)	138	—	—	—
Consumer financing interest expense	(22)	(28)	(56)	—	—	—	—
	(22)	(33)	(52)	805	63	—	—
Adjusted EBITDA	$ 78	$ 61	$ 155	$ 85	$118	$323	$ 129

RISK FACTORS

You should carefully consider each of the following risks, which we believe are the principal risks that we face and of which we are currently aware, and all of the other information in this information statement. Some of the risks described below relate to our business, while others relate to the spin-off. Other risks relate principally to the securities markets and ownership of our common stock.

Should any of the following risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially and adversely affected, the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Relating to Our Business

We face the following risks in connection with the general conditions and trends of the industry in which we operate:

Our business will be materially harmed if our License Agreements with Marriott International and Ritz-Carlton are terminated.

In connection with the spin-off, we will enter into License Agreements with Marriott International and Ritz-Carlton, each of which will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in our vacation ownership business. Each License Agreement will have an initial term of 79 years; however, if we breach our obligations under either License Agreement, Marriott International and Ritz-Carlton may be entitled to terminate the License Agreements.

The termination of the License Agreements would materially harm our business and results of operations and impair our ability to market and sell our products and maintain our competitive position. For example, we would not be able to rely on the strength of the Marriott and Ritz-Carlton brands to attract qualified prospects in the marketplace, which would cause our revenue and profits to decline and our marketing and sales expenses to increase. We would not be able to use www.marriott.com and www.ritzcarlton.com as channels through which to rent available inventory, which would cause our rental revenue to decline. In addition, the Marriott Rewards Agreement would also terminate upon termination of the License Agreements, and we would not be able to offer Marriott Rewards Points to owners and potential owners, which would impair our ability to sell our products and would reduce the flexibility and options available in connection with our products.

If Marriott International or Ritz-Carlton terminates our rights to use the Marriott or Ritz-Carlton marks at any properties that do not meet applicable brand standards, our reputation could be harmed and our ability to market and sell our products at those properties could be impaired.

Marriott International and Ritz-Carlton can terminate our rights under our License Agreements to use the Marriott or Ritz-Carlton marks at any properties that do not meet applicable brand standards. The termination of such rights could harm our reputation and impair our ability to market and sell our products at the subject properties, either of which could harm our business, and we could owe damages to Marriott International and Ritz-Carlton, property owners, third parties with whom we have contracted and others.

Our ability to expand our business and remain competitive could be harmed if Marriott International or Ritz-Carlton do not consent to our use of their trademarks at new resorts we acquire or develop after the distribution date.

Under the terms of our License Agreements with Marriott International and Ritz-Carlton, we must obtain Marriott International's or Ritz-Carlton's consent, as applicable, to use the Marriott or Ritz-Carlton trademarks in connection with resorts, residences or other accommodations that we acquire or develop after the distribution date. Marriott International or Ritz-Carlton may reject a proposed project if, among other things, the project does not meet Marriott International's or Ritz-Carlton's respective construction and design standards or Marriott International or Ritz-Carlton reasonably believes the project will breach contractual or legal restrictions applicable to them and their affiliates. In addition, Ritz-Carlton may reject a proposed project if Ritz-Carlton will

not be able to provide services that comply with Ritz-Carlton brand standards at the proposed project. If Marriott International or Ritz-Carlton do not permit us to use their trademarks in connection with our development or acquisition plans, our ability to expand our business and remain competitive may be materially adversely affected. The requirement to obtain Marriott International's or Ritz-Carlton's consent to our expansion plans, or the need to identify and secure alternative expansion opportunities because Marriott International or Ritz-Carlton do not allow us to use their trademarks with proposed new projects, may delay implementation of our expansion plans and cause us to incur additional expense.

General economic uncertainty and weak demand in the vacation ownership industry could continue to impact our financial results and growth.

Weak economic conditions in the United States, Europe, Asia and much of the rest of the world and the uncertainty over the duration of these conditions could continue to have a negative impact on the vacation ownership industry. As a result of weak consumer confidence and limited availability of consumer credit, we continue to experience weakened demand for our vacation ownership products. Recent improvements in demand trends globally may not continue, and our future financial results and growth could be further harmed or constrained if the recovery stalls or conditions worsen. Furthermore, as a result of current economic conditions, an increasing number of existing owners are offering their vacation ownership interests for sale on the secondary market, thereby creating additional pricing pressure on our sale of vacation ownership products, which could cause our sales revenues and profits to decline.

We depend on capital to develop, acquire and repurchase vacation ownership inventory, and we may be unable to access capital when necessary.

The availability of funds for new investments, primarily developing, acquiring or repurchasing vacation ownership inventory, depends in part on liquidity factors and capital markets over which we can exert little, if any, control. Instability in the financial markets following the 2008 worldwide financial crisis and the contraction of available liquidity and leverage continue to constrain the capital markets for real estate investments. In addition, the obligations of MVW US Holdings, our subsidiary, to its preferred shareholders and any indebtedness we incur, including indebtedness under any credit facility, may adversely affect our ability to obtain any additional financing necessary to acquire additional vacation ownership inventory, or exercise our rights of first refusal to purchase vacation ownership interests that our owners propose to sell to third parties.

Further, our ability to issue equity securities to raise capital is limited under the Tax Sharing and Indemnification Agreement. See "*—Our ability to engage in acquisitions and other strategic transactions is subject to limitations because we are agreeing to certain restrictions to comply with U.S. federal income tax requirements for a tax-free spin-off.*" If we cannot raise additional capital when needed, it could affect our financial health, which could negatively affect your investment in us.

The terms of any future equity or debt financing may give holders of any preferred securities rights that are senior to rights of our common shareholders or impose more stringent operating restrictions on our company.

Debt or equity financing may not be available to us on acceptable terms. If we incur additional debt or raise equity through the issuance of additional preferred stock, the terms of the debt or the preferred stock issued may give the holders rights, preferences and privileges senior to those of holders of our common stock, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we will have immediately following the spin-off. If we raise funds through the issuance of additional equity, your ownership in us would be diluted.

If we cannot securitize the loans that we provide to purchasers of our vacation ownership interests, our business, financial condition or results of operations could be adversely affected.

We provide financing to purchasers of our vacation ownership interests, and we periodically securitize interests in those loans in the capital markets. Disruption in the credit markets in the second half of 2008 and

much of 2009 impaired the timing and volume of the securitizations we completed, as well as the financial terms of such securitizations. Although improved market conditions allowed us to successfully complete a securitization in the fourth quarter of 2010 on substantially more favorable terms than in 2009, any future deterioration in the financial markets could preclude, delay or increase the cost to us of future note securitizations, which could in turn cause us to reduce spending in order to maintain our leverage and return targets.

If the default rates or other credit metrics underlying our vacation ownership receivables deteriorate, our vacation ownership receivables securitization program could be adversely affected.

Our vacation ownership receivables securitization program could be adversely affected if a particular vacation ownership receivables pool fails to meet certain ratios, which could occur if the default rates or other credit metrics of the underlying vacation ownership receivables deteriorate. Our ability to sell securities backed by our vacation ownership receivables depends on the continued ability and willingness of capital market participants to invest in such securities. Asset-backed securities issued in our securitization programs could be downgraded by credit agencies in the future. If a downgrade occurs, our ability to complete other securitization transactions on acceptable terms or at all could be jeopardized, and we could be forced to rely on other potentially more expensive and less attractive funding sources, to the extent available. This would decrease our profitability and might require us to adjust our business operations, including by reducing or suspending our provision of financing to purchasers of vacation ownership interests. Sales of vacation ownership interests may decline if we reduce or suspend the provision of financing to purchasers, which may adversely affect our cash flows, revenues and profits.

Our industry is competitive, which may impact our ability to compete successfully with other vacation ownership brands and with other vacation rental options for customers.

A number of highly competitive companies participate in the vacation ownership industry, including several branded hotel companies. Our brands compete with the vacation ownership brands of major hotel chains in national and international venues, as well as with the vacation rental options (*e.g.*, hotels, resorts and condominium rentals) offered by the lodging industry. In addition, under our License Agreements with Marriott International and Ritz-Carlton, if other international hotel operators offer new products and services as part of their respective hotel businesses that may directly compete with our vacation ownership products and services in the future, then Marriott International and Ritz-Carlton may also offer such products and services, and use their respective trademarks in connection with such offers. If Marriott International or Ritz-Carlton offer vacation ownership products and services under their trademarks, our vacation ownership products and services may compete directly with those of Marriott International or Ritz-Carlton, and we may not be able to distinguish our vacation ownership products and services from those offered by Marriott International and Ritz-Carlton. Our ability to remain competitive and to attract and retain owners depends on our success in distinguishing the quality and value of our products and services from those offered by others. If we cannot compete successfully in these areas, this could limit our operating margins, diminish our market share and reduce our earnings.

Our business is subject to extensive regulation, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business.

Our business is regulated under a wide variety of laws, regulations and policies in jurisdictions around the world. Our real estate development activities, for example, are subject to laws and regulations typically applicable to real estate development, subdivision and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance and taxation. Laws in some jurisdictions also impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer. Various laws also govern our lending activities and our resort management activities, including the laws described in “Business—Regulation.”

A number of laws govern our marketing and sales activities, such as vacation ownership and land sales acts, fair housing statutes, anti-fraud laws, sweepstakes laws, real estate licensing laws, telemarketing laws, home solicitation sales laws, tour operator laws, seller of travel laws, securities laws, consumer privacy laws and

consumer protection laws. In addition, laws in many jurisdictions in which we sell vacation ownership interests grant the purchaser of a vacation ownership interest the right to cancel a purchase contract during a specified rescission period.

In recent years, “do not call” legislation has significantly increased the costs associated with telemarketing. We have implemented procedures that we believe will help reduce the possibility that we contact individuals on regulatory “do not call” lists, but we cannot assure you that such procedures will be effective in ensuring regulatory compliance. Additionally, the spin-off will cause our company to no longer be considered an affiliate of Marriott International for purposes of “do not call” legislation in some jurisdictions, which may make it more difficult for us to utilize customer information we obtain from Marriott International in the future.

Many jurisdictions in which we manage our resorts have statutory provisions that limit the duration of the initial and renewal terms of our management agreements for property owners’ associations and/or permit the property owners’ association for a resort to terminate our management agreement regardless of our default under certain circumstances (for example, upon a super-majority vote of the owners). Such statutory provisions expose us to a risk that one or more of our management agreements may not be renewed or may be terminated prior to the end of the term specified in such agreements. Upon non-renewal or termination of our management agreement for a particular resort, such resort loses the ability to use the Marriott or Ritz-Carlton name and trademarks and ceases to be a part of our system. In addition, we lose the management fee revenue associated with such resort.

Although we believe that we are in material compliance with all laws, regulations and policies to which we are currently subject, we cannot assure you that the cost of such compliance will not be significant or that we will maintain such compliance at all times. Failure to comply with current or future applicable laws, regulations and policies could have a material adverse effect on our business. For example, if we do not comply with applicable laws, governmental authorities in the jurisdictions where the violations occurred may revoke or refuse to renew licenses or registrations we must have in order to operate our business. Failure to comply with applicable laws could also render sales contracts for our products void or voidable, subject us to fines or other sanctions and increase our exposure to litigation.

Our business may be adversely affected by factors that disrupt or deter travel and vacation plans.

The profitability of the vacation ownership resorts that we develop and manage may be adversely affected by a number of factors that can disrupt or deter travel and vacation plans. For example, fear of exposure to contagious diseases, such as H1N1 Flu, Avian Flu and Severe Acute Respiratory Syndrome, or natural or man-made disasters, such as earthquakes, tsunamis, hurricanes, floods, fires, volcanic eruptions, radiation releases and oil spills, may deter travelers from scheduling vacations or cause them to cancel vacation plans. Actual or threatened war, civil unrest and terrorist activity, as well as heightened travel security measures instituted in response to the same, could also interrupt or deter vacation plans. In addition, demand for leisure vacation options such as our vacation ownership products may decrease if the cost of travel, including the cost of transportation and fuel, increases or if general economic conditions decline. Changes in the desirability of the locations where we develop and manage resorts as vacation destinations and changes in vacation and travel patterns may adversely affect our cash flows, revenue and profits.

If we cannot dispose of excess land and Luxury segment real estate inventory at favorable prices or at all, our future cash flows and net income could be reduced.

Due to continued weakness in the economy, we have excess land that was purchased for future development, as well as excess built Luxury segment real estate inventory at a few of our projects that we intend to sell through bulk sales over the next eighteen to twenty-four months. Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Current economic conditions, as well as restrictions such as zoning, entitlement, contractual and similar restrictions related to the excess land and inventory could adversely affect our ability to find buyers at favorable prices during this time period or at all. We are responsible for maintenance fees and operating costs relating to this

unsold excess land and inventory. If we are not able to sell this excess land and inventory we will continue to bear these costs, which may increase over time, and our net income will be reduced. See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

If we identify additional excess land and inventory in the future, or if our estimates of the fair value of our excess land and inventory change, our financial position and results of operations could be adversely affected.

Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our plans change, we may conclude in the future that additional land and inventory are excess, in which case we would likely terminate plans to develop such land and instead seek to dispose of such excess land and inventory through bulk sales or other methods. If we identify additional excess land and inventory in the future, we may have to record additional non-cash impairment charges to write-down the value of such assets. Any such impairment charges may have an adverse impact on our financial position and results of operations. The sale of any such additional excess land and inventory will be subject to the risks described in the risk factor entitled "*—If we cannot dispose of excess land and Luxury segment real estate inventory at favorable prices or at all, our future cash flows and net income could be reduced*." In addition, if real estate market conditions change, our estimates of the fair value of our excess land and Luxury inventory may change. If our estimates of the fair value of these assets decline, we may have to record additional non-cash impairment charges to write-down the value of such assets to the estimated fair value. Any such impairment charges may have an adverse impact on our financial position and results of operations.

Our business depends on the quality and reputation of the Marriott and Ritz-Carlton brands, and any deterioration in the quality or reputation of these brands could have an adverse impact on our market share, reputation, business, financial condition or results of operations.

Currently, all of our products and services are offered under Marriott or Ritz-Carlton brand names, and we intend to continue to develop and offer products and services under these brands in the future. If the quality of these brands deteriorates, or the reputation of these brands declines, our market share, reputation, business, financial condition or results of operations could be affected.

Our points-based product form exposes us to an increased risk of temporary inventory depletion.

Selling vacation ownership interests in a system of resorts under a points-based business model increases the risk of temporary inventory depletion. We sell vacation ownership interests denominated in points from a single trust entity in each of our North American, Asia Pacific and Luxury business segments. Thus, the primary source of inventory for each segment is concentrated in its corresponding trust. In contrast, under our prior business model, we sold weeks-based vacation ownership interests tied to specific resorts; we thus had more sources of inventory (*i.e.*, resorts), and the risk of inventory depletion was diffused among those sources of inventory.

Temporary depletion of inventory available for sale can be caused by three primary factors: (1) delayed delivery of inventory under construction; (2) delayed receipt of required governmental registrations of inventory for sale; and (3) significant unanticipated increases in sales pace. If the inventory available for sale for a particular trust were to be depleted before new inventory is added and available for sale, we would be required to temporarily suspend sales until inventory is replenished. This could reduce our cash flow and have a negative impact on our results of operations.

Disagreements with the owners of vacation ownership interests and property owners' associations may result in litigation and the loss of management contracts.

The nature of our responsibilities in managing our vacation ownership properties will from time to time give rise to disagreements with the owners of vacation ownership interests and property owners' associations. We

seek to resolve any disagreements in order to develop and maintain positive relations with current and potential owners and property owners' associations but cannot always do so. Failure to resolve such disagreements has resulted in litigation, and could do so again in the future. If any such litigation results in a significant adverse judgment, settlement or court order, we could suffer significant losses, our profits could be reduced, our reputation could be harmed and our future ability to operate our business could be constrained. Disagreements with property owners' associations could also result in the loss of management contracts.

The maintenance and improvement of vacation ownership properties depends on maintenance fees paid by the owners of vacation ownership interests.

Owners of our vacation ownership interests must pay maintenance fees levied by property owners' association boards. These maintenance fees are used to maintain and refurbish the vacation ownership properties and to keep the properties in compliance with Marriott and Ritz-Carlton brand standards. If property owners' association boards do not levy sufficient maintenance fees, or if owners of vacation ownership interests do not pay their maintenance fees, the vacation ownership properties could fall into disrepair and fail to comply with applicable brand standards. If a resort fails to comply with applicable brand standards, Marriott International or Ritz-Carlton could terminate our rights under the applicable License Agreement to use its trademarks at the non-compliant resort, which would result in the loss of management fees, decrease customer satisfaction and impair our ability to market and sell our products at the non-compliant locations.

Damage to, or other potential losses involving, properties that we own or manage may not be covered by insurance.

While we have comprehensive property and liability insurance policies with coverage features and insured limits that we believe are customary, market forces beyond our control may limit the scope of the insurance coverage we can obtain or our ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, or terrorist acts, may be uninsurable or too expensive to justify obtaining insurance. As a result, the cost of our insurance may increase and our coverage levels may decrease. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or that of owners of vacation ownership interests or in some cases may not provide a recovery for any part of a loss. As a result, we could lose some or all of the capital we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated under guarantees or other financial obligations related to the property.

Our development activities expose us to project cost and completion risks.

Both directly and through arrangements with third parties, we develop new vacation ownership properties and new phases of existing vacation ownership properties. As demonstrated by the 2009 impairment charges associated with our business, our ongoing involvement in the development of inventory presents a number of risks, including that: (1) continued weakness in the capital markets may limit our ability, or that of third parties with whom we do business, to raise capital for completion of projects or for development of future properties; (2) to the extent construction costs escalate faster than the pace at which we can increase the price of vacation ownership interests, our profits may be adversely affected; (3) construction delays, zoning and other local approvals, cost overruns, lender financial defaults, or natural or man-made disasters, such as earthquakes, tsunamis, hurricanes, floods, fires, volcanic eruptions, radiation releases and oil spills, may increase overall project costs or result in project cancellations; and (4) any liability or alleged liability associated with latent defects in projects we have constructed or that we construct in the future may adversely affect our business, financial condition and reputation.

Purchaser defaults on the loans our business generates could reduce our revenues, cash flows and profits.

We are subject to the risk that purchasers of our vacation ownership interests may default on the financing that we provide. Purchaser defaults could cause us to foreclose on loans and reclaim ownership of the financed interests, both for loans that we have not securitized and in our role as servicer for the loans we have securitized.

If we cannot resell foreclosed properties or interests in a timely manner or at a price sufficient to repay the loans and our costs, we could incur higher loan loss charges on our notes receivable. In addition, notes that we have securitized contain certain portfolio performance requirements related to default and delinquency rates, which, if not met, would result in disruption or loss of cash flow until portfolio performance sufficiently improves to satisfy the requirements.

Our operations outside of the United States make us susceptible to the risks of doing business internationally, which could lower our revenues, increase our costs, reduce our profits or disrupt our business.

We conduct business in over 40 countries and territories, and our operations outside the United States represented approximately 15 percent of our revenues in 2010. International properties and operations expose us to a number of additional challenges and risks, including the following, any of which could reduce our revenues or profits, increase our costs, or disrupt our business: (1) complex and changing laws, regulations and policies of governments that may impact our operations, including foreign ownership restrictions, import and export controls, and trade restrictions; (2) U.S. laws that affect the activities of U.S. companies abroad; (3) limitations on our ability to repatriate non-U.S. earnings in a tax-effective manner; (4) the difficulties involved in managing an organization doing business in many different countries; (5) uncertainties as to the enforceability of contract and intellectual property rights under local laws; (6) rapid changes in government policy, political or civil unrest, acts of terrorism or the threat of international boycotts or U.S. anti-boycott legislation; and (7) currency exchange rate fluctuations.

A failure to keep pace with developments in technology could impair our operations or competitive position.

Our business model and competitive conditions in the vacation ownership industry continue to demand the use of sophisticated technology and systems, including those used for our sales, reservation, inventory management and property management systems, and technologies we make available to our owners. We must refine, update and/or replace these technologies and systems with more advanced systems on a regular basis. If we cannot do so as quickly as our competitors or within budgeted costs and time frames, our business could suffer. We also may not achieve the benefits that we anticipate from any new technology or system, and a failure to do so could result in higher than anticipated costs or could harm our operating results.

Failure to maintain the integrity of internal or customer data could result in faulty business decisions or operational inefficiencies, damage our reputation and/or subject us to costs, fines or lawsuits.

We collect and retain large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems and those of our service providers. We also maintain personally identifiable information about our employees. The integrity and protection of that customer, employee and company data is critical to us. We could make faulty decisions if that data is inaccurate or incomplete. Our customers and employees also have a high expectation that we and our service providers will adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding, in both the United States and other jurisdictions in which we operate. Our systems may be unable to satisfy changing regulatory requirements and employee and customer expectations, or may require significant additional investments or time in order to do so. Our information systems and records, including those we maintain with our service providers, may be subject to security breaches, system failures, viruses, operator error or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee or company data maintained by us or by a service provider could adversely impact our reputation and could result in remedial and other expenses, fines or litigation. A breach in the security of our information systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Our ability to engage in acquisitions and other strategic transactions is subject to limitations because we are agreeing to certain restrictions to comply with U.S. federal income tax requirements for a tax-free spin-off.

To preserve the favorable tax treatment of the distribution, we must comply with restrictions under current U.S. federal income tax laws for spin-offs such as restrictions requiring us to: refrain from engaging in certain transactions that would result in a 50 percent or greater change by vote or by value in our stock ownership during

the four-year period beginning on the date that begins two years before the distribution date, continue to own and manage our vacation ownership business and limit sales or redemptions of our common stock for cash or other property following the distribution, except in connection with certain stock-for-stock acquisitions and other permitted transactions. If these restrictions are not followed, the distribution could be taxable to Marriott International and Marriott International shareholders.

We will enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will allocate between Marriott International and ourselves responsibility for U.S. federal, state and local and non-U.S. income and other taxes relating to taxable periods before and after the distribution and provide for computing and apportioning tax liabilities and tax benefits between the parties. In the Tax Sharing and Indemnification Agreement, we also will represent that certain materials relating to us submitted to the IRS in connection with the ruling request are complete and accurate in all material respects, and we will agree that, among other things, we may not (1) take or fail to take any action that would cause such materials (or representations included therein) to be untrue or cause the distribution to lose its tax-free status under Sections 368(a)(1)(D) and/or 355 of the Code and (2) during the two-year period following the spin-off, except in certain specified transactions, sell, issue or redeem our equity securities (or those of certain of our subsidiaries) or liquidate, merge or consolidate with another person or sell or dispose of a substantial portion of our assets (or those of certain of our subsidiaries). During this two-year period, we may take certain actions prohibited by these covenants if we obtain the approval of Marriott International or we provide Marriott International with an IRS ruling or an unqualified opinion of tax counsel, acceptable to Marriott International, to the effect that these actions will not affect the tax-free nature of the distribution. These restrictions could limit our strategic and operational flexibility, including our ability to finance our operations by issuing equity securities, make acquisitions using equity securities, repurchase our equity securities, raise money by selling assets or enter into business combination transactions.

Changes in privacy law could adversely affect our ability to market our products effectively.

We rely on a variety of direct marketing techniques, including telemarketing, email marketing and postal mailings. Adoption of new state or federal laws regulating marketing and solicitation, or international data protection laws that govern these activities, or changes to existing laws, such as the Telemarketing Sales Rule and the CANSPAM Act, could adversely affect the continuing effectiveness of telemarketing, email and postal mailing techniques and could force us to make further changes in our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could impact the amount and timing of our sales of vacation ownership interests and other products. We also obtain access to potential customers from travel service providers or other companies with whom we have substantial relationships and market to some individuals on these lists directly or by including our marketing message in the other companies' marketing materials. If access to these lists was prohibited or otherwise restricted, our ability to develop new customers and introduce our products to them could be impaired. Additionally, the spin-off will cause our company to no longer be considered an affiliate of Marriott International for purposes of "do not call" legislation in some jurisdictions, which may make it more difficult for us to utilize customer information we obtain from Marriott International in the future.

Changes in tax regulations could reduce our profits or increase our costs.

In response to the recent economic crisis and recession, we anticipate that many of the jurisdictions in which we do business will review tax and other revenue raising laws, regulations and policies, and any resulting changes could impose new restrictions, costs or prohibitions on our current practices and reduce our profits. In particular, governments may revise tax laws, regulations or official interpretations in ways that could have a significant impact on us, including modifications that could reduce the profits that we can effectively realize from our non-U.S. operations, or that could require costly changes to those operations, or the way that we structure them. For example, most U.S. company effective tax rates reflect the fact that income earned and reinvested outside the United States is generally taxed at local rates, which are often much lower than U.S. tax rates. If changes in tax laws, regulations or interpretations were to significantly increase the tax rates on non-U.S. income, our effective tax rate could increase, our profits could be reduced, and if such increases were a result of our status as a U.S. company, could place us at a disadvantage to our non-U.S. competitors if those competitors remain subject to lower local tax rates.

The growth of our business and the execution of our business strategies depend on the services of our senior management and our associates.

We believe that our future growth depends, in part, on the continued services of our senior management team, including our President and Chief Executive Officer, Stephen P. Weisz. The loss of any members of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies.

In addition, insufficient numbers of talented associates could constrain our ability to maintain and expand our business. We compete with other companies both within and outside of our industry for talented personnel. If we cannot recruit, train, develop or retain sufficient numbers of talented associates, we could experience increased associate turnover, decreased guest satisfaction, low morale, inefficiency or internal control failures.

Risks Relating to the Spin-Off

We face the following risks in connection with the spin-off:

We may incur greater costs as an independent company than we did when we were a part of Marriott International, which could decrease our profitability.

As a segment of Marriott International, we take advantage of Marriott International's size and purchasing power in procuring certain goods and services such as insurance and healthcare benefits, and technology such as computer software licenses. After the spin-off, as a separate, independent entity, we may be unable to obtain these goods, services and technologies at prices or on terms as favorable to us as those we obtained prior to the spin-off. We also rely on Marriott International to provide various financial, administrative and other corporate services. Marriott International will continue to provide certain of these services on a short-term transitional basis after the spin-off. However, we will be required to establish the necessary infrastructure and systems to supply these services on an ongoing basis. We may not be able to replace the services provided by Marriott International in a timely manner or on terms and conditions as favorable as those we receive from Marriott International. If functions previously performed by Marriott International cost us more than the amounts reflected in our historical financial statements, our profitability could decrease.

Our ability to meet our capital needs may be harmed by the loss of financial support from Marriott International.

The loss of financial support from Marriott International could harm our ability to meet our capital needs. Marriott International can currently provide certain capital that may be needed in excess of the amounts generated by our operating activities. After the spin-off, we expect to obtain any funds needed in excess of the amounts generated by our operating activities through the capital markets or bank financing, and not from Marriott International. However, given the smaller relative size of our company as compared to Marriott International after the spin-off and our expectation that we will have lower credit ratings than Marriott International, we expect to incur higher debt servicing and other costs than we would have otherwise incurred as a part of Marriott International. Further, we cannot guarantee you that we will be able to obtain capital market financing or credit on favorable terms, or at all, in the future. We cannot assure you that our ability to meet our capital needs will not be harmed by the loss of financial support from Marriott International.

Our success will depend in part on our ongoing relationship with Marriott International after the spin-off.

In connection with the spin-off, we will enter into a number of agreements with Marriott International and its subsidiaries that will govern the ongoing relationships between Marriott International and Marriott Vacations Worldwide after the spin-off. Our success will depend, in part, on the maintenance of these ongoing relationships with Marriott International. In particular, the License Agreements we will enter into with Marriott International and Ritz-Carlton will, among other things, provide us with the exclusive right to use the Marriott and Ritz-Carlton names, respectively, in our vacation ownership business. Because the right to use the Marriott and Ritz-Carlton marks and intellectual property is critical to our business, breach or termination of the License Agreements could have a material adverse effect on our financial position, results of operations or cash flows.

See "—*Our business will be materially harmed if our License Agreements with Marriott International and Ritz-Carlton are terminated*" for more information on risks associated with termination of the License Agreements.

We may be unable to achieve some or all of the benefits that we expect from the spin-off.

As an independent, publicly owned company, we believe that our business will benefit from, among other things, (1) enhanced strategic and management focus; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities; (3) the ability to implement a tailored approach to recruiting and retaining employees; (4) improved investor understanding of our business strategy and operating results; and (5) investor choice. However, by separating from Marriott International, we may be more susceptible to securities market fluctuations and other adverse events than we would have been were we still a part of Marriott International. In addition, we may not be able to achieve some or all of the benefits that we expect to achieve as an independent company in the time in which we expect to do so, if at all.

We expect to incur new indebtedness upon consummation of the spin-off, and the degree to which we will be leveraged following completion of the spin-off may have a material adverse effect on our financial position, results of operations and cash flows.

We will have two revolving credit facilities in place at the time of the spin-off: (1) the Revolving Corporate Credit Facility, a secured revolving credit facility with borrowing capacity up to $200 million to provide support for our business, including ongoing liquidity and letters of credit, and (2) the Warehouse Credit Facility, a secured revolving credit facility with borrowing capacity up to $300 million to provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany balances. We entered into the Revolving Corporate Credit Facility on October 20, 2011. We also plan to periodically securitize, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership interests. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International that Marriott International will sell to one or more third-party investors prior to completion of the spin-off.

Our ability to make payments to preferred shareholders and to make payments on and refinance our indebtedness, including the debt existing at the time of the spin-off as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that we cannot control. If we cannot repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including (1) reducing financing in the future for working capital, capital expenditures and general corporate purposes or (2) dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. In addition, our ability to withstand competitive pressures and to react to changes in the vacation ownership industry could be impaired. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of our other debt.

We are agreeing to indemnify Marriott International for taxes and related losses resulting from actions we take that cause the distribution to fail to qualify as a tax-free transaction.

Pursuant to the Tax Sharing and Indemnification Agreement we will enter into with Marriott International, we will agree to indemnify Marriott International for certain taxes and related losses resulting from (1) any breach of the covenants regarding the preservation of the tax-free status of the distribution and the intended tax treatment of certain related transactions undertaken in connection with the distribution, (2) certain acquisitions of our equity securities or assets or those of certain of our subsidiaries, and (3) any breach by us or any member of our group of certain of our representations in the documents submitted to the IRS and the separation documents between Marriott International and us. The amount of Marriott International's taxes for which we are agreeing to indemnify Marriott International in respect of the distribution will be based on the excess, if any, of the aggregate

fair market value of our stock over Marriott International's tax basis in our stock at the time of the distribution. In addition, if the distribution fails to qualify as a tax-free transaction for reasons other than those specified in the spin-off tax indemnification provisions, liability for any resulting taxes related to the distribution will be apportioned between Marriott International and us based on the relative fair market values of Marriott International and us. In addition, Marriott International expects to recognize, for U.S. federal income tax purposes, significant built-in losses in properties used in the vacation ownership and related residential businesses. If Marriott International's U.S. federal consolidated group is unable to deduct these losses for U.S. federal income tax purposes, and, instead, the tax basis of the properties that is attributable to the built-in losses is available to our U.S. federal consolidated group, we have agreed to indemnify Marriott International for certain lost tax benefits that Marriott International otherwise would have recognized if Marriott International's U.S. federal consolidated group was able to deduct such losses. The amount of any future indemnification payments could be substantial.

If the distribution does not qualify for tax-free treatment at the shareholder level, you will be taxed on your receipt of our stock.

The IRS could determine the distribution to be taxable even though Marriott International received a private letter ruling and an opinion from its tax counsel. In addition, certain future events that may or may not be within the control of Marriott International or our company, including certain extraordinary purchases of Marriott International common stock or our common stock, could cause the distribution not to qualify as tax-free. If the distribution does not qualify for tax-free treatment at the shareholder level, you will be taxed on the full value of our shares that you receive (without reduction for any portion of your tax basis in your Marriott International shares) as a dividend for U.S. federal income tax purposes and possibly for purposes of U.S. state and local tax law to the extent of your pro rata share of Marriott International's current and accumulated earnings and profits (as increased by any gain recognized by Marriott International on the distribution).

We may be unable to make, on a timely basis, the changes necessary to operate as an independent, publicly owned company.

As a public entity, we will be subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports about our business and financial condition. Under the Sarbanes-Oxley Act, we must maintain effective disclosure controls and procedures and internal control over financial reporting, which requires significant resources and management oversight. We will implement additional procedures and processes to address the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our financial position, results of operations or cash flows. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or our independent registered public accounting firm cannot provide an unqualified attestation report on the effectiveness of our internal control over financial reporting, investor confidence and, in turn, the market price of our common stock could decline.

We do not have an operating history as an independent company and our historical financial information may not be a reliable indicator of our future results.

The historical financial information we have included in this information statement has been derived from Marriott International's consolidated financial statements and does not necessarily reflect what our financial position, results of operations and cash flows would have been had we been a separate, stand-alone entity during the periods presented. Marriott International did not account for us, and we were not operated, as a single stand-alone entity for the periods presented. In addition, the historical information may not be indicative of what our results of operations, financial position and cash flows will be in the future. For example, following the spin-off, changes will occur in our cost structure, funding and operations, including changes in our tax structure and increased costs associated with becoming a public, stand-alone company.

The spin-off may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements.

The spin-off is subject to review under various state and federal fraudulent conveyance laws. Fraudulent conveyance laws generally provide that an entity engages in a constructive fraudulent conveyance when (1) the entity transfers assets and does not receive fair consideration or reasonably equivalent value in return, and (2) the entity (a) is insolvent at the time of the transfer or is rendered insolvent by the transfer, (b) has unreasonably small capital with which to carry on its business, or (c) intends to incur or believes it will incur debts beyond its ability to repay its debts as they mature. An unpaid creditor or an entity acting on behalf of a creditor (including without limitation a trustee or debtor-in-possession in a bankruptcy by us or Marriott International or any of our respective subsidiaries) may bring a lawsuit alleging that the spin-off or any of the related transactions constituted a constructive fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including without limitation, voiding our claims against Marriott International, requiring our shareholders to return to Marriott International some or all of the shares of our common stock issued in the spin-off, or providing Marriott International with a claim for money damages against us in an amount equal to the difference between the consideration received by Marriott International and the fair market value of our company at the time of the spin-off.

The measure of insolvency for purposes of the fraudulent conveyance laws will vary depending on which jurisdiction's law is applied. Generally, an entity would be considered insolvent if (1) the present fair saleable value of its assets is less than the amount of its liabilities (including contingent liabilities); (2) the present fair saleable value of its assets is less than its probable liabilities on its debts as such debts become absolute and matured; (3) it cannot pay its debts and other liabilities (including contingent liabilities and other commitments) as they mature; or (4) it has unreasonably small capital for the business in which it is engaged. We cannot assure you what standard a court would apply to determine insolvency or that a court would determine that we, Marriott International or any of our respective subsidiaries were solvent at the time of or after giving effect to the spin-off.

The distribution of our common stock is also subject to review under state corporate distribution statutes. Under the General Corporation Law of the State of Delaware (the "DGCL"), a corporation may only pay dividends to its shareholders either (1) out of its surplus (net assets minus capital) or (2) if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Although Marriott International intends to make the distribution of our common stock entirely from surplus, we cannot assure you that a court will not later determine that some or all of the distribution to Marriott International shareholders was unlawful.

The Marriott International board of directors has obtained an opinion that Marriott International and we each will be solvent at the time of the spin-off (including immediately after the payment of the dividend and the spin-off), will be able to repay its debts as they mature following the spin-off and will have sufficient capital to carry on its businesses and the spin-off and the distribution will be made entirely out of surplus in accordance with Section 170 of the DGCL. We cannot assure you, however, that a court would reach the same conclusions set forth in such opinion in determining whether Marriott International or we were insolvent at the time of, or after giving effect to, the spin-off, or whether lawful funds were available for the separation and the distribution to Marriott International's shareholders.

A court could require that we assume responsibility for obligations allocated to Marriott International under the Separation and Distribution Agreement.

Under the Separation and Distribution Agreement, from and after the spin-off, each of Marriott International and we will be responsible for the debts, liabilities and other obligations related to the business or businesses which it owns and operates following the consummation of the spin-off. Although we do not expect to be liable for any obligations that are not allocated to us under the Separation and Distribution Agreement, a court could disregard the allocation agreed to between the parties, and require that we assume responsibility for obligations allocated to Marriott International (for example, tax and/or environmental liabilities), particularly if Marriott International were to refuse or were unable to pay or perform the allocated obligations. See "Certain

Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Separation and Distribution Agreement."

We might have been able to receive better terms from unaffiliated third parties than the terms we receive in our agreements with Marriott International.

The agreements related to the spin-off, including the Separation and Distribution Agreement, the Marriott License Agreement, the Ritz-Carlton License Agreement, the Employee Benefits and Other Employment Matters Allocation Agreement, the Tax Sharing and Indemnification Agreement, the Transition Services Agreements, the Non-Competition Agreement and any other agreements, will be negotiated in the context of our separation from Marriott International while we are still part of Marriott International. Although these agreements are intended to be on an arm's-length basis, they may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. The terms of the agreements being negotiated in the context of our separation concern, among other things, allocations of assets, liabilities, rights, indemnifications and other obligations among Marriott International and us. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off" for more detail.

After the spin-off, certain of our executive officers and directors may have actual or potential conflicts of interest because of their ownership of Marriott International equity or their current or former positions in Marriott International.

Certain of the persons we expect will be our executive officers and directors will be former officers and employees of Marriott International and thus have professional relationships with Marriott International's executive officers and directors. In addition, many of our expected executive officers and directors have a substantial financial interest in Marriott International as a result of their ownership of Marriott International stock, options and other equity awards. These relationships and financial interests may create, or may create the appearance of, conflicts of interest when these expected directors and officers face decisions that could have different implications for Marriott International than for us.

In addition, one of our expected Board members, Deborah Marriott Harrison, will continue to be employed by Marriott International after the spin-off. Ms. Harrison is also the daughter of the chairman of the board of directors and chief executive officer of Marriott International. These facts may also create, or may create the appearance of, conflicts of interest.

Risks Relating to Our Common Stock

You will face the following risks in connection with ownership of our common stock:

There is no existing market for our common stock and we cannot be certain that an active trading market will develop or be sustained after the spin-off. Following the spin-off, our stock price may fluctuate significantly.

There currently is no public market for our common stock. The NYSE has authorized the listing of our common stock. See "Trading Market." We anticipate that before the distribution date for the spin-off, trading of shares of our common stock will begin on a "when-issued" basis and such trading will continue up to and including the distribution date. However, we cannot assure you that an active trading market for our common stock will develop as a result of the spin-off or be sustained in the future. The lack of an active market may make it more difficult for you to sell our common stock and could lead to the price of our common stock being depressed or more volatile. We cannot predict the prices at which our common stock may trade after the spin-off. The market price of our common stock may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- our business profile and market capitalization may not fit the investment objectives of some Marriott International shareholders and, as a result, these Marriott International shareholders may sell our shares after the distribution;

- actual or anticipated fluctuations in our operating results due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain financing as needed;
- announcements by us or our competitors of significant new business developments or significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the failure of securities analysts to cover our common stock after the spin-off;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- investor perception of our company and the vacation ownership industry;
- overall market fluctuations;
- changes in laws and regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could adversely affect the trading price of our common stock.

Substantial sales of our common stock may occur in connection with the spin-off, which could cause the price of our common stock to decline.

The shares of our common stock that Marriott International distributes to its shareholders may be sold immediately in the public market. Marriott International shareholders could sell our common stock received in the distribution if we do not fit their investment objectives or, in the case of index funds, if we are not part of the index in which they invest. Sales of significant amounts of our common stock or a perception in the market that such sales will occur may reduce the market price of our common stock.

We cannot assure you that we will pay dividends on our common stock, and our indebtedness could limit our ability to pay dividends on our common stock.

We do not currently intend to pay dividends. Our dividend policy will be established by our Board based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. In addition, the terms of the agreements governing debt that we incur at the time of the spin-off or in the future may limit or prohibit the payments of dividends. For more information, see “Dividend Policy.” We cannot assure you that we will pay dividends in the future or continue to pay any dividends if we do commence the payment of dividends.

Additionally, our indebtedness could have important consequences for holders of our common stock. If we cannot generate sufficient cash flow from operations to meet our debt-payment obligations and obligations to pay dividends on our preferred stock, if any, then our Board’s ability to declare dividends on our common stock will be impaired and we may be required to attempt to restructure or refinance our debt, raise additional capital or take other actions such as selling assets, reducing or delaying capital expenditures or reducing any proposed dividends. We cannot assure you that we will be able to effect any such actions or do so on satisfactory terms, if at all, or that such actions would be permitted by the terms of our debt or our other credit and contractual arrangements.

The obligations of MVW US Holdings to its preferred shareholders could have a negative impact on our common shareholders.

Our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International, which will sell the preferred stock to one or more third-party investors prior to completion of the spin-off. For the first five years the Series A preferred stock will pay an annual cash dividend equal to the five year U.S. Treasury Rate as of October 19, 2011 plus a spread of 10.958 percent, for a total annual cash dividend rate of 12 percent. On the fifth anniversary of issuance, the annual cash dividend rate will be reset to the five year U.S. Treasury Rate in effect on such date plus the same 10.958 percent spread. The payment of this dividend will reduce the amount of cash otherwise available for distribution by MVW US Holdings to Marriott Vacations Worldwide for further distribution to our common shareholders or for other corporate purposes. MVW US Holdings will not be able to pay any dividends to us if it is in arrears on the payment of dividends to the preferred shareholders. In addition, in the event of a liquidation of MVW US Holdings, the preferred shareholders will be entitled to an aggregate liquidation preference of $40 million plus any accrued and unpaid dividends and a premium if the liquidation occurs during the first five years after issuance of the preferred stock, which will reduce the amount of cash available for distribution by MVW US Holdings to Marriott Vacations Worldwide for further distribution to our common shareholders. Further, if MVW US Holdings either (1) is in arrears on the payment of six or more quarterly dividend payments on the preferred stock, whether or not the payment dates are consecutive, or (2) defaults on its obligations to redeem the preferred stock on the tenth anniversary of issuance or following a change of control, the preferred shareholders may designate a representative to attend meetings of our Board as a non-voting observer until all unpaid dividends on the outstanding shares of preferred stock have been paid or all such unpaid dividends have been paid or declared with an amount sufficient for the payment set aside for payment, or the shares required to be redeemed have been redeemed, as applicable.

Anti-takeover provisions in our organizational documents and Delaware law and in our agreements with Marriott International could delay or prevent a change in control.

Provisions of our Charter and Bylaws may delay or prevent a merger or acquisition that a shareholder may consider favorable. For example, our Charter and Bylaws will provide for a classified board, require advance notice for shareholder proposals and nominations, place limitations on convening shareholder meetings and authorize our Board to issue one or more series of preferred stock. The holders of the preferred stock issued by our subsidiary MVW US Holdings will have the right to require MVW US Holdings to redeem the preferred stock if we or MVW US Holdings sells all or substantially all of its assets or completes a change of control, as defined in the terms of the preferred stock. These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could harm our stock price. In addition, Delaware law also imposes some restrictions on mergers and other business combinations between any holder of 15 percent or more of our outstanding common stock and us. See “Description of Capital Stock” for additional information.

In addition, provisions in our agreements with Marriott International may delay or prevent a merger or acquisition that a shareholder may consider favorable. Under the Tax Sharing and Indemnification Agreement, we will agree not to enter into any transaction involving an acquisition or issuance of our common stock or any other transaction (or, to the extent we have the right to prohibit it, to permit any such transaction) that could reasonably be expected to cause the distribution of our common stock to be taxable to Marriott International. We would be required to indemnify Marriott International for any tax resulting from any such prohibited transaction, and we would be required to meet various requirements, including obtaining the approval of Marriott International or obtaining an IRS ruling or unqualified opinion of tax counsel acceptable to Marriott International, before engaging in such transactions. See “Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Tax Sharing and Indemnification Agreement.”

Further, our License Agreements with Marriott International and Ritz-Carlton will provide that a change in control may not occur without the consent of Marriott International or Ritz-Carlton, respectively. See “Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property.”

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

We make forward-looking statements throughout this information statement, including in, among others, the sections entitled “Summary,” “Questions and Answers About the Spin-Off,” “Risk Factors,” “The Spin-Off,” “Trading Market,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” based on our management’s beliefs and assumptions and on information currently available to our management. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, benefits resulting from our separation from Marriott International and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements in this information statement. We do not have any intention or obligation to update forward-looking statements after we distribute this information statement.

The risk factors discussed in “Risk Factors” could cause our results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that we cannot predict at this time or that we currently do not expect will have a material adverse effect on our financial position, results of operations or cash flows. Any such risks could cause our results to differ materially from those we express in forward-looking statements.

THE SPIN-OFF

Background

On October 25, 2011, the board of directors of Marriott International approved the spin-off of Marriott Vacations Worldwide from Marriott International, following which we will be an independent, publicly owned company. To complete the spin-off, Marriott International will, following an internal reorganization, distribute to its shareholders all of the outstanding shares of our common stock. The distribution will occur on the distribution date, which is November 21, 2011. Each holder of Marriott International common stock will receive one share of our common stock for every ten shares of Marriott International common stock held on November 10, 2011, the record date. After completion of the spin-off, we will be the exclusive developer and manager of vacation ownership and related products under the Marriott brand and the exclusive developer of vacation ownership and related products under the Ritz-Carlton brand.

Holders of Marriott International common stock will continue to hold their shares in Marriott International. We do not require and are not seeking a vote of Marriott International's shareholders in connection with the spin-off, and Marriott International's shareholders will not have any appraisal rights in connection with the spin-off or the internal reorganization.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. In addition, Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, its board of directors determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for us to separate from Marriott International. For a more detailed description, see "—Conditions to the Spin-Off."

Reasons for the Spin-Off

Marriott International's board of directors believes that the spin-off is in the best interests of Marriott International and its shareholders because the spin-off is expected to provide various benefits, including: (1) enhanced strategic and management focus for each company; (2) more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; (3) the ability to implement a tailored approach to recruiting and retaining employees at each company; (4) improved investor understanding of the business strategy and operating results of each company; and (5) investor choice.

Enhanced Strategic and Management Focus. The lodging business and the vacation ownership business currently compete with each other for management attention and resources. The spin-off should permit each company to tailor its business strategies to best address market opportunities in its industry. In addition, the spin-off should allow the management of each company to sharpen the company's strategic vision and enhance its focus. The spin-off should provide each company with the flexibility needed to pursue its own goals and serve its own needs.

More Efficient Capital Allocation, Direct Access to Capital and Expanded Growth Opportunities. As part of Marriott International, the vacation ownership business is limited to Marriott International brands and effectively competes with the lodging business for capital resources. After the spin-off, however, each company should be able to access the capital markets directly to fund its growth strategy and to establish a capital structure tailored to its business needs. Each company should be able to allocate capital and make investments as its management elects in order to grow its business. In particular, Marriott Vacations Worldwide will have the ability to pursue non-Marriott branded vacation ownership growth opportunities. Moreover, the liquidity of its stock should enable Marriott Vacations Worldwide to use its securities to fund future growth (subject to certain limitations during the two-year period following the spin-off, as described in "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Tax Sharing and Indemnification Agreement"). Accordingly, following the spin-off, Marriott Vacations Worldwide is expected to have additional flexibility to pursue acquisitions.

Tailored Approach to Recruiting and Retaining Employees. After the spin-off, each company should be able to recruit and retain employees with expertise directly applicable to its needs under compensation policies appropriate for its specific business. In particular, following the distribution, the value of equity-based incentive compensation arrangements reflected in each company's stock price should be more closely aligned with the performance of its business. Such equity-based compensation arrangements should also provide enhanced incentives for employee performance and improve the ability of each company to attract, retain and motivate qualified personnel, including management and key employees considered essential to that company's future success.

Improved Investor Understanding. After the spin-off, investors will receive disclosure about our operating results and Marriott International's operating results on a stand-alone basis, which information should enable them to better evaluate the financial performance of each company, as well as each company's strategy within the context of its industry, thereby increasing the likelihood that each company's securities will be appropriately valued by the market.

Investor Choice. Marriott International's board of directors believes that the lodging business and the vacation ownership business each appeal to different types of investors with different investment goals and risk profiles. Finding investors who want to invest in both industries together is more challenging than finding investors for each individually. After the spin-off, investors will be able to pursue investment goals in either or both companies. In addition, the management of each company should be able to establish goals, implement business strategies and evaluate growth opportunities in light of investor expectations specific to that company's respective business, without undue consideration of investor expectations for the other business. Each company should also be able to focus its public relations efforts on cultivating its own separate identity.

Manner of Effecting the Spin-Off

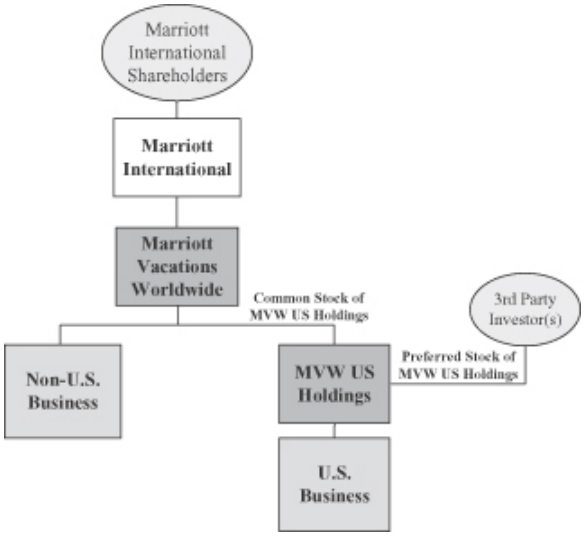
The general terms and conditions relating to the spin-off will be set forth in a Separation and Distribution Agreement between us and Marriott International.

Internal Reorganization

Prior to the distribution, as described under "—Distribution of Shares of Our Common Stock," Marriott International will complete an internal reorganization. Following the reorganization, which is a condition to the spin-off, Marriott Vacations Worldwide will own all the companies that conduct Marriott International's vacation ownership and related residential business. The reorganization will include various restructuring transactions in preparation for the spin-off, including restructuring transactions involving the non-U.S. subsidiaries of Marriott International that conduct its vacation ownership business. In addition, Marriott International and certain of its subsidiaries will contribute the companies that conduct our U.S. business to MVW US Holdings in exchange for common stock and preferred stock of MVW US Holdings. Marriott International will sell all of the preferred stock of MVW US Holdings to one or more third-party investors prior to completion of the spin-off. The formation of MVW US Holdings and the sale of the preferred stock of MVW US Holdings have been structured in a manner that is intended to result, for U.S. federal income tax purposes, in the recognition of significant built-in losses in properties used in the vacation ownership and related residential businesses. These losses should be available to Marriott International's U.S. federal consolidated group despite the intended tax-free treatment of the distribution of our common stock to Marriott International shareholders. The recognition of these built-in losses is not a condition to the spin-off. In addition, we have transferred the net proceeds from our first draw under the Warehouse Credit Facility to Marriott International in settlement of certain intercompany account balances.

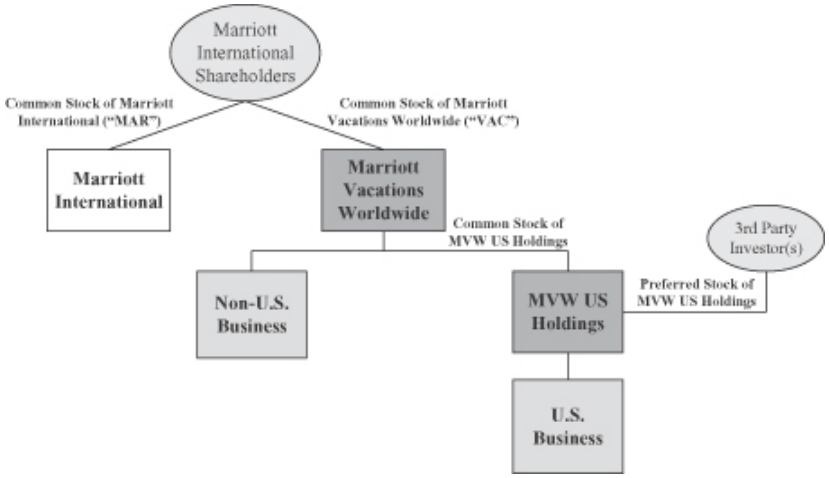
The diagram below, simplified for illustrative purposes, shows the **current structure** of the entities conducting our businesses:

The diagram below, simplified for illustrative purposes, shows the structure of the entities conducting our businesses **immediately after completion of the internal reorganization** and sale of the preferred stock:



Distribution of Shares of Our Common Stock

Under the Separation and Distribution Agreement, the distribution will be effective as of 12:01 a.m., Eastern time, on November 21, 2011, the distribution date. As a result of the spin-off, on the distribution date, each holder of Marriott International common stock will receive one share of our common stock for every ten shares of Marriott International common stock that the shareholder owns as of the record date. In order to receive shares of our common stock in the spin-off, a Marriott International shareholder must be a shareholder at the close of business of the NYSE on November 10, 2011, the record date. The diagram below shows the structure, simplified for illustrative purposes, of Marriott International and Marriott Vacations Worldwide **immediately after completion of the spin-off**:



On the distribution date, Marriott International will release the shares of our Marriott Vacations Worldwide common stock to our distribution agent to distribute to Marriott International shareholders as of the record date. Our distribution agent will establish book-entry accounts for record holders of Marriott International common stock and credit to such accounts the shares of our common stock distributed to such holders. Our distribution agent will send these shareholders, including any registered holder of shares of Marriott International common stock represented by physical share certificates on the record date, a statement reflecting their ownership of our common stock. Book-entry refers to a method of recording stock ownership in our records that does not use physical stock certificates. For shareholders who own Marriott International common stock through a broker or other nominee, their broker or nominee will credit their shares of our common stock to their accounts. We expect that it will take the distribution agent up to one week to electronically issue shares of our common stock to Marriott International shareholders or their bank or brokerage firm by way of direct registration in book-entry form. Any delay in the electronic issuance of Marriott Vacations Worldwide shares by the distribution agent will not affect trading in Marriott Vacations Worldwide common stock. As further discussed below, we will not issue fractional shares of our common stock in the distribution. Following the spin-off, shareholders who hold shares in book-entry form may request that their shares of our common stock be transferred to a brokerage or other account at any time.

Marriott International shareholders will not be required to make any payment or surrender or exchange their shares of Marriott International common stock or take any other action to receive their shares of our common stock.

Treatment of Fractional Shares

The distribution agent will not distribute any fractional shares of our common stock to Marriott International shareholders. Instead, as soon as practicable on or after the distribution date, the distribution agent will aggregate fractional shares of our common stock held by holders of record into whole shares, sell them in the open market at the prevailing market prices and then distribute the aggregate sale proceeds ratably to Marriott International shareholders who would otherwise have received fractional shares of our common stock. The amount of this payment will depend on the prices at which the distribution agent sells the aggregated fractional shares of our common stock in the open market shortly after the distribution date. We will be responsible for payment of any brokerage fees, which we do not expect will be material to us. Your receipt of cash in lieu of fractional shares of our common stock generally will result in a taxable gain or loss for U.S. federal income tax purposes, but you should consult your own tax advisor as to the receipt of such cash based on your particular circumstances. We describe the material U.S. federal income tax consequences of the distribution in more detail under "—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Material U.S. Federal Income Tax Consequences of the Spin-Off

The following discussion summarizes the material U.S. federal income tax consequences of the distribution to holders of Marriott International common stock that are United States persons for U.S. federal income tax purposes and certain other matters. Holders of Marriott International common stock that are not United States persons may be taxable on the distribution with different tax consequences than those described below and are urged to consult their tax advisors regarding the tax treatment to them under relevant non-U.S. tax law. Further, this summary may not be applicable to shareholders who received their Marriott International common stock pursuant to the exercise of employee stock options, under an employee stock purchase plan or otherwise as compensation. This discussion is based on the Code, the Treasury regulations promulgated thereunder, judicial opinions, published positions of the IRS, and all other applicable authorities as of the date of this information statement, all of which are subject to change, possibly with retroactive effect, and does not discuss U.S. state or local or non-U.S. laws.

The following discussion may not describe all of the tax consequences that may be relevant to a holder of Marriott International common stock in light of such shareholder's particular circumstances or to shareholders subject to special rules. In addition, this summary is limited to shareholders that hold their Marriott International

common stock as a capital asset within the meaning of Section 1221 of the Code (generally, assets held for investment). Thus, we urge each shareholder to consult his or her tax advisor as to the particular consequences of the distribution to such shareholder, including the application of U.S. state and local and non-U.S. tax laws, and as to possible changes in tax laws that may affect the tax consequences described in this information statement.

Marriott International has received a private letter ruling from the IRS to the effect that, on the basis of certain facts presented, and representations and assumptions set forth in the request submitted to the IRS for such ruling, the distribution of Marriott Vacations Worldwide common stock will qualify as a distribution that is generally tax-free under Sections 368(a)(1)(D) and/or 355 of the Code. Shearman & Sterling LLP, our special tax counsel, has rendered an opinion on certain aspects of the tax treatment of the distribution not addressed by the IRS in the private letter ruling.

Treatment of the Distribution

Subject to the discussion below relating to the receipt of cash in lieu of fractional shares, for holders of Marriott International common stock that are United States persons, the principal U.S. federal income tax consequences of the distribution will be as follows:

- no gain or loss will be recognized by, and no amount will be includible in the income of, a holder of Marriott International common stock solely as a result of the receipt of Marriott Vacations Worldwide common stock in the distribution;
- no gain or loss will be recognized by, and no amount will be includible in the income of, Marriott International as a result of the distribution, other than with respect to any “excess loss account” or “intercompany transaction” required to be taken into account under Treasury regulations relating to consolidated groups;
- the holding period for the Marriott Vacations Worldwide common stock received in the distribution will include the period during which the Marriott International common stock was held; and
- the tax basis of Marriott International common stock held by a Marriott International shareholder immediately prior to the distribution will be apportioned, based upon relative fair market values at the time of the distribution, between such Marriott International common stock and the Marriott Vacations Worldwide common stock received, including any fractional share of Marriott Vacations Worldwide common stock deemed received by such shareholder in the distribution.

Although the private letter ruling relating to the qualification of the distribution as a tax-free transaction generally is binding on the IRS, the continuing validity of the ruling is subject to factual representations and assumptions and future events. In addition, an opinion of tax counsel is not binding on the IRS. If the IRS subsequently holds the distribution to be taxable (for example, because of noncompliance with representations or future events), the foregoing consequences would not apply and the distribution could be taxable to Marriott International and Marriott International shareholders, as described below. Additionally, certain future events that may or may not be within the control of Marriott International or us, including certain extraordinary purchases of Marriott International common stock or our common stock, could cause the spin-off not to qualify as tax-free to Marriott International and/or Marriott International shareholders. For example, if one or more persons were to acquire a 50 percent or greater interest in our stock or in the stock of Marriott International as part of a plan or a series of related transactions of which the distribution is a part, the distribution would be taxable to Marriott International, as described below, although not necessarily to Marriott International shareholders. Further, certain sales and redemptions of our common stock for cash or other property (other than certain stock-for-stock acquisitions and other permitted transactions) and certain asset dispositions by us following the distribution may cause the distribution to fail to qualify for non-recognition treatment and thus the distribution would be taxable to both Marriott International and Marriott International shareholders. Depending on the event, we may have to indemnify Marriott International for some or all of the taxes and losses resulting from the distribution not

qualifying for non-recognition treatment under Sections 368(a)(1)(D) and/or 355 of the Code. If the distribution does not qualify for non-recognition treatment under Section 355 of the Code, then:

- each holder of Marriott International common stock who receives shares of our common stock in the distribution would be treated as if such shareholder received a taxable distribution equal to the full value of the shares of our common stock received, taxed as a dividend to the extent of such shareholder's pro rata share of Marriott International's current and accumulated earnings and profits (including the gain to Marriott International described in the following bullet point) and then treated as a non-taxable return of capital to the extent of the holder's tax basis in the Marriott International common stock and finally as capital gain, and
- Marriott International would recognize a taxable gain equal to the excess of the fair market value of our common stock on the date of the distribution over the tax basis of Marriott International therein.

Under current U.S. federal income tax law, individual citizens or residents of the United States currently are subject to U.S. federal income tax on dividends at a maximum rate of 15 percent (assuming certain holding period requirements are met) and long-term capital gains (*i.e.*, capital gains on assets held for more than one year) at a maximum rate of 15 percent.

Cash in Lieu of Fractional Shares

No fractional shares of our common stock will be issued in the distribution to you. All fractional shares resulting from the distribution will be aggregated and sold by the distribution agent, and the proceeds will be distributed to the Marriott International shareholders that otherwise would have received such fractional shares. A Marriott International shareholder who receives cash instead of a fractional share of our common stock as a part of the distribution generally will recognize capital gain or loss measured by the difference between the cash received for such fractional share and the shareholder's tax basis in the fractional share as described above. Any such capital gain or loss will be treated as a long-term or short-term gain or loss based on the shareholder's holding period for the Marriott International common stock with respect to which the shareholder received the distribution of our common stock. Payments of cash in lieu of a fractional share of our common stock made in connection with the distribution may, under certain circumstances, be subject to backup withholding of U.S. federal income tax (currently at a rate of 28 percent) unless a shareholder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the requirements of the backup withholding rules. Backup withholding does not constitute an additional tax, but merely an advance payment, which may be refunded or credited against a shareholder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Information Reporting

Current Treasury regulations require certain Marriott International shareholders with significant ownership in Marriott International that receive our common stock pursuant to the distribution to attach to their U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth such data as may be appropriate in order to show the applicability to the distribution of Section 355 of the Code. Marriott International will provide to holders of record of Marriott International common stock information necessary to comply with such requirement.

Treatment of MVW US Holdings Formation

The formation of MVW US Holdings and the sale of the preferred stock of MVW US Holdings have been structured in a manner that is intended to result, for U.S. federal income tax purposes, in the recognition of significant built-in losses in properties used in the vacation ownership and related residential businesses, despite the intended tax-free treatment of the distribution of our common stock to Marriott International shareholders. Marriott International has received a private letter ruling from the IRS regarding the U.S. federal income tax treatment of the formation of MVW US Holdings, including the recognition of such built-in losses. The intended

treatment of the formation of MVW US Holdings would permit Marriott International (through its U.S. federal consolidated group) rather than Marriott Vacations Worldwide (through its U.S. federal consolidated group) to recognize such built-in losses and take them into account in computing taxable income or loss. The tax basis of the properties for which such losses are recognized will be equal to their fair market values as of the formation of MVW US Holdings. While any private letter ruling Marriott International receives providing that the built-in losses will be recognized and taken into account generally is binding on the IRS, the continuing validity of the ruling is subject to factual representations and assumptions and the IRS could subsequently hold otherwise (for example, because of the inaccuracy of an assumption), in which case Marriott International (through its U.S. federal consolidated group) could have substantially greater taxable income.

Ownership of Marriott Vacations Worldwide Common Stock

A holder of our common stock that is not a United States person could be subject to U.S. federal income tax on gain from a disposition of our common stock if we are or have been a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-United States person's holding period for our common stock. We anticipate that we will be a USRPHC. The determination of whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of our other trade or business assets and our non-U.S. real property interests. Even if we are or become a USRPHC, as long as our common stock is regularly traded on an established securities market, a non-United States person's disposition of our common stock generally will not be subject to U.S. federal income tax provided that such non-United States person does not actually or constructively hold more than 5 percent of such regularly traded common stock during the applicable period.

Results of the Spin-Off

After the spin-off, we will be an independent, publicly owned company. Immediately following the spin-off, we expect to have approximately 42,400 record holders of shares of our common stock and approximately 33,632,000 shares of our common stock outstanding, based on the number of shareholders of record and outstanding shares of Marriott International common stock on October 21, 2011. The figures assume no exercise of outstanding options and exclude any shares of Marriott International common stock held directly or indirectly by Marriott International. The actual number of shares to be distributed will be determined on the record date and will reflect any exercise of Marriott International options and repurchase by Marriott International of Marriott International shares between the date the Marriott International board of directors declares the dividend for the distribution and the record date for the distribution.

For information about options to purchase shares of our common stock that will be outstanding after the distribution, see "—Treatment of Share-Based Awards" and "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Employee Benefits and Other Employment Matters Allocation Agreement."

Before the spin-off, we will enter into several agreements with Marriott International to effect the spin-off and provide a framework for our relationship with Marriott International after the spin-off. These agreements will govern the relationship between us and Marriott International after completion of the spin-off and provide for the allocation between us and Marriott International of Marriott International's assets, liabilities and obligations. For a more detailed description of these agreements, see "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off."

Market for Our Common Stock

There is currently no public market for our common stock. The NYSE has authorized the listing of our common stock under the symbol "VAC." A condition to the distribution is the listing of our common stock on a national securities exchange approved by Marriott International.

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and including through the distribution date, there will be two markets in Marriott International common stock: a "regular-way" market and an "ex-distribution" market. Shares of Marriott International common stock that trade on the regular-way market will trade with an entitlement to shares of our common stock distributed in the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed in the distribution. Therefore, if you sell shares of Marriott International common stock in the regular-way market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution. If you own shares of Marriott International common stock at the close of business on the record date and sell those shares on the ex-distribution market up to and including through the distribution date, you will still receive the shares of our common stock that you would be entitled to receive pursuant to your ownership of the shares of Marriott International common stock.

Furthermore, beginning on or shortly before the record date and continuing up to and including the distribution date, there will be a "when-issued" market in our common stock. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The when-issued trading market will be a market for shares of our common stock that will be distributed to Marriott International shareholders on the distribution date. If you owned shares of Marriott International common stock at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of our common stock, without the shares of Marriott International common stock you own, on the when-issued market. On the first trading day following the distribution date, when-issued trading with respect to our common stock will end and regular-way trading will begin.

Treatment of Share-Based Awards

Marriott International maintains outstanding equity awards for its common stock in the form of stock options, stock appreciation rights ("SARs"), restricted stock units, restricted stock, deferred stock arrangements and deferred bonus stock under the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott Stock Plan"). Pursuant to the Employee Benefits and Other Employment Matters Allocation Agreement between us and Marriott International, Marriott International will continue to maintain the Marriott Stock Plan on and after the distribution date, and we will establish a separate stock and incentive cash compensation plan (the "Marriott Vacations Worldwide Stock Plan"), effective as of a date shortly before the spin-off.

Effective as of the distribution date, persons holding awards other than options or SARs under the Marriott Stock Plan (the "Marriott Stock Awards") will receive awards under the Marriott Vacations Worldwide Stock Plan (the "Marriott Vacations Worldwide Stock Awards") in a ratio of one share of Marriott Vacations Worldwide common stock subject to Marriott Vacations Worldwide Stock Awards for every ten shares of Marriott International common stock subject to the Marriott Stock Awards, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott Stock Awards. The Marriott Stock Awards will continue to remain outstanding in accordance with their material terms and conditions. This adjustment providing for Marriott Vacations Worldwide Stock Awards is intended to preserve the aggregate fair market value of the Marriott Stock Awards.

In addition, effective as of the distribution date, stock options and SARs granted under the Marriott Stock Plan will be converted into adjusted Marriott International stock options or SARs under the Marriott Stock Plan and Marriott Vacations Worldwide stock options or SARs issued under the Marriott Vacations Worldwide Stock Plan. The exercise prices of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs, and the number of shares subject to such awards, will reflect a conversion ratio that is designed so that the difference between the market price of Marriott International common stock and the exercise price of an award immediately prior to the distribution date will equal the difference between the market prices of Marriott International and Marriott Vacations Worldwide common stock

and the adjusted awards' exercise prices immediately after the distribution. The exact adjustment formula, which is designed to satisfy tax and accounting standards, is set forth in Section 2.04 of the Employee Benefits and Other Employment Matters Allocation Agreement between us and Marriott International. The terms and conditions of the adjusted Marriott International stock options and SARs and the Marriott Vacations Worldwide stock options and SARs will be substantially similar to the terms and conditions applicable to the original Marriott International stock options and SARs.

With respect to each of the awards described above, after the distribution date, service with Marriott International and/or Marriott Vacations Worldwide will be treated as continuous service with respect to the awards, as specified in the Employee Benefits and Other Employment Matters Allocation Agreement. Thus, the vesting, exercisability and forfeiture of the awards generally will be determined taking into account all such service.

See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—Employee Benefits and Other Employment Matters Allocation Agreement" for more information.

Debt Incurrence and Other Financing Arrangements

We have two secured revolving credit facilities, the Revolving Corporate Credit Facility and the Warehouse Credit Facility, with aggregate borrowing capacity of $500 million. On September 28, 2011, we closed the Warehouse Credit Facility, and on October 5, 2011 we made our first draw on the facility. We transferred the net proceeds of $122 million from the draw to Marriott International in settlement of certain intercompany account balances. We entered into the Revolving Corporate Credit Facility on October 20, 2011. In addition, our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock to Marriott International as part of the internal reorganization, and that Marriott International will sell all of the preferred stock to one or more third-party investors prior to completion of the spin-off. See "Description of Material Indebtedness and Other Financing Arrangements" for details on the credit facilities and the preferred stock.

Conditions to the Spin-Off

We expect that the spin-off will be effective as of 12:01 a.m., Eastern time, on November 21, 2011, the distribution date, provided that the following conditions are either satisfied or waived by Marriott International:

- the board of directors of Marriott International, in its sole and absolute discretion, has authorized and approved the spin-off (including the internal reorganization) and not withdrawn such authorization and approval, and has declared the dividend of our common stock to Marriott International shareholders;
- the Separation and Distribution Agreement and each ancillary agreement contemplated by the Separation and Distribution Agreement have been executed by each party thereto;
- our registration statement on Form 10, of which this information statement is a part, has become effective under the Exchange Act, no stop order suspending that effectiveness is in effect, and no proceedings for such purpose are pending before or threatened by the SEC;
- our common stock has been accepted for listing on a national securities exchange approved by Marriott International, subject to official notice of issuance;
- the internal reorganization (as described in "—Manner of Effecting the Spin-Off—Internal Reorganization") has been completed;
- Marriott International has received an opinion from its tax counsel, in form and substance acceptable to Marriott International, and a private letter ruling from the IRS, each of which remains in full force and effect, that the distribution of shares of Marriott Vacations Worldwide common stock will not result in recognition, for U.S. federal income tax purposes, of income, gain or loss to Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional shares of Marriott Vacations Worldwide common stock;

- this information statement has been mailed to the Marriott International shareholders;
- Marriott Vacations Worldwide's restated certificate of incorporation and restated bylaws, each in the form filed as exhibits to the Form 10 of which this information statement is a part, are in effect;
- Marriott Vacations Worldwide's board of directors consists of the individuals identified in this information statement as directors of Marriott Vacations Worldwide;
- Marriott Vacations Worldwide has received resignations, effective immediately after the distribution, of each individual (other than Deborah Marriott Harrison) who will be an employee of Marriott International or one of its subsidiaries after the distribution and who will be an officer or director of Marriott Vacations Worldwide or one of its subsidiaries immediately prior to the distribution;
- Marriott Vacations Worldwide has entered into the Revolving Corporate Credit Facility and the Warehouse Credit Facility;
- Marriott International has received an opinion, in form and substance acceptable to Marriott International, as to the solvency of Marriott International and Marriott Vacations Worldwide;
- no order, injunction or decree that would prevent the consummation of the distribution is threatened, pending or issued (and still in effect) by any governmental authority of competent jurisdiction, no other legal restraint or prohibition preventing consummation of the distribution is pending, threatened, issued or in effect and no other event has occurred or failed to occur that prevents the consummation of the distribution; and
- any material governmental approvals and other consents necessary to consummate the spin-off have been obtained.

The fulfillment of the foregoing conditions will not create any obligation on Marriott International's part to effect the spin-off. Except as described in the foregoing conditions, we are not aware of any material federal or state regulatory requirements that must be complied with or any material approvals that must be obtained. Marriott International has the right not to complete the spin-off if, at any time prior to the distribution, the board of directors of Marriott International determines, in its sole discretion, that the spin-off is not in the best interests of Marriott International or its shareholders, or that it is not advisable for us to separate from Marriott International.

Solvency Opinion

Marriott International's board of directors has engaged Duff & Phelps, LLC ("Duff & Phelps"), a nationally recognized, independent financial advisory firm, to deliver an opinion to Marriott International and its board of directors regarding the solvency and capitalization of Marriott International immediately before the distribution and each of Marriott International and Marriott Vacations Worldwide immediately following the distribution. This opinion is attached to this information statement as Annex A. Duff & Phelps delivered this opinion to Marriott International on October 25, 2011. Marriott International expects that Duff & Phelps will confirm its opinion immediately prior to the completion of the distribution. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Duff & Phelps in connection with the preparation of its opinion.

Duff & Phelps' solvency opinion provides that, as of the date of the opinion:

- the fair value of the aggregate assets of Marriott International immediately before consummation of the distribution, and of each of Marriott International and Marriott Vacations Worldwide immediately after consummation of the distribution, will exceed their respective total liabilities (including contingent liabilities);

- the present fair saleable value of the aggregate assets of Marriott International immediately before consummation of the distribution, and of each Marriott International and Marriott Vacations Worldwide immediately after consummation of the distribution, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
- each of Marriott International and Marriott Vacations Worldwide, immediately after consummation of the distribution, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;
- each of Marriott International and Marriott Vacations Worldwide, immediately after consummation of the distribution, will not have unreasonably small capital for the businesses in which they are engaged, as managements of Marriott International and Marriott Vacations Worldwide have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the distribution;
- the excess of the fair value of aggregate assets of Marriott International, immediately before consummation of the distribution, over the total identified liabilities (including contingent liabilities) of Marriott International is equal to or exceeds the fair value of the distribution plus the stated capital of Marriott International (as such capital is calculated pursuant to Section 154 of the DGCL); and
- the excess of the fair value of aggregate assets of Marriott International, immediately after consummation of the distribution, over the total identified liabilities (including contingent liabilities) of Marriott International is equal to or exceeds the stated capital of Marriott International (as such capital is calculated pursuant to Section 154 of the DGCL).

Reason for Furnishing this Information Statement

We are furnishing this information statement to you, as a Marriott International shareholder entitled to receive shares of our common stock in the spin-off, for the sole purpose of providing you with information about us. This information statement is not, and you should not consider it, an inducement or encouragement to buy, hold or sell any of our securities. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Marriott International nor we undertake any obligation to update the information except in the normal course of our respective public disclosure obligations.

TRADING MARKET

Market for Our Common Stock

There is no public market for our common stock, and an active trading market may not develop or may not be sustained. We anticipate that trading of our common stock will commence on a "when-issued" basis beginning on or shortly before the record date and continuing through the distribution date. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. When-issued trades generally settle within four trading days after the distribution date. If you own shares of Marriott International common stock at the close of business on the record date, you will be entitled to receive shares of our common stock distributed in the spin-off. You may trade this entitlement to receive shares of our common stock, without the shares of Marriott International common stock you own, on the when-issued market. On the first trading day following the distribution date, any when-issued trading of our common stock will end and "regular-way" trading will begin. Our common stock will be listed on the NYSE under the ticker symbol "VAC." We will announce our when-issued trading symbol when and if it becomes available.

We also anticipate that, beginning on or shortly before the record date and continuing up to and including the distribution date, there will be two markets in Marriott International common stock: a "regular-way" market and an "ex-distribution" market. Shares of Marriott International common stock that trade on the regular-way market will trade with an entitlement to shares of our common stock distributed in the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of our common stock distributed in the distribution. Therefore, if you sell shares of Marriott International common stock in the regular-way market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution. However, if you own shares of Marriott International common stock at the close of business on the record date and sell those shares on the ex-distribution market up to and including the distribution date, you will not be selling the right to receive shares of our common stock in connection with the spin-off and you will still receive such shares of our common stock.

We cannot predict the prices at which our common stock may trade before the spin-off on a "when-issued" basis or after the spin-off. Those prices will be determined by the marketplace. Prices at which trading in our common stock occurs may fluctuate significantly. Trading prices for our common stock may be influenced by many factors, including anticipated or actual fluctuations in our operating results or those of other companies in our industry, investor perception of our company and the vacation ownership industry, market fluctuations and general economic conditions. In addition, the stock market in general has experienced extreme price and volume fluctuations that have affected the performance of many stocks and that have often been unrelated or disproportionate to the operating performance of these companies. These are just some factors that may adversely affect the market price of our common stock. See "Risk Factors—Risks Relating to Our Common Stock" for further discussion of risks relating to the trading prices of our common stock.

Transferability of Shares of Our Common Stock

On October 21 , 2011, Marriott International had 336,323,260 shares of its common stock issued and outstanding. Based on this number, we expect that upon completion of the spin-off, we will have approximately 33,632,000 shares of common stock issued and outstanding. The shares of our common stock that you will receive in the distribution will be freely transferable, unless you are considered an "affiliate" of ours under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Persons who can be considered our affiliates after the spin-off generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, us, and may include certain of our officers and directors. As of the distribution date, we estimate that our directors and officers will beneficially own approximately 2,552,400 shares of our common stock. In addition, individuals who are affiliates of Marriott International on the distribution date may be deemed to be affiliates of ours. Our affiliates may sell shares of our common stock received in the distribution only:

- under a registration statement that the SEC has declared effective under the Securities Act; or

- under an exemption from registration under the Securities Act, such as the exemption afforded by Rule 144.

In general, under Rule 144 as currently in effect, an affiliate will be entitled to sell, within any three-month period commencing 90 days after the date the registration statement of which this information statement is a part has become effective, a number of shares of our common stock that does not exceed the greater of:

- 1.0% of our common stock then outstanding; or
- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 for the sale.

Rule 144 also includes restrictions governing the manner of sale. Sales may not be made under Rule 144 unless certain information about us is publicly available.

In the future, we may adopt new stock option and other equity-based award plans and issue options to purchase shares of our common stock and other share-based awards. We currently expect to file a registration statement under the Securities Act to register shares to be issued under these stock plans. Shares issued under awards after the effective date of the registration statement, other than shares issued to affiliates, generally will be freely tradable without further registration under the Securities Act.

Except for our common stock distributed in the distribution, none of our common stock will be outstanding on or immediately after the spin-off and there are no registration rights agreements existing for our common stock.

DIVIDEND POLICY

We do not currently intend to pay dividends. Our Board will establish our dividend policy based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. The credit agreement relating to our Revolving Corporate Credit Facility contains restrictions on our ability to pay dividends. The terms of agreement governing debt that we may incur in the future may also limit or prohibit dividend payments. Accordingly, we cannot assure you that we will either pay dividends in the future or continue to pay any dividend that we may commence in the future.

CAPITALIZATION

The following table presents our historical capitalization at June 17, 2011 and our pro forma capitalization at that date reflecting the spin-off and the related transactions and events described in this information statement as if the spin-off and the related transactions and events had occurred on June 17, 2011.

We are providing the capitalization table below for informational purposes only. You should not construe it as indicative of our capitalization or financial condition had the spin-off and the related transactions and events been completed on the date assumed. The capitalization table below also may not reflect the capitalization or financial condition that would have resulted had we been operated as a separate, independent entity at that date or our future capitalization or financial condition.

You should read the table below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical Combined Financial Statements and accompanying notes included elsewhere in this information statement.

	As of June 17, 2011	
($ in millions)	**Historical**	**Pro Forma**
Securitized vacation ownership debt	$ 895	$ 895
Other debt:		
Revolving credit facility	—	—
Warehouse facility	—	79
Other	3	3
Preferred shares subject to mandatory redemption	—	40
Total debt and preferred shares subject to mandatory redemption	898	1,017
Divisional equity[(1)]	1,916	1,498
Total capitalization	$ 2,814	$ 2,515

(1) Divisional equity includes Accumulated other comprehensive income and Net Parent Investment (as defined in Footnote No. 13, "Net Parent Investment," of the Notes to our annual Combined Financial Statements). See Footnote No. 14, "Subsequent Events," to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following tables present a summary of selected historical combined financial data for the periods indicated below. The selected historical combined statements of operations for the fiscal years 2007 and 2006 and the selected combined balance sheet data for fiscal years 2008, 2007 and 2006 are derived from our unaudited combined financial statements, which are not included in this information statement. The selected historical combined statements of operations for each of the three fiscal years 2010, 2009 and 2008, and the selected combined balance sheet data for fiscal years 2010 and 2009 are derived from our audited Combined Financial Statements, which are included elsewhere in this information statement.

The selected historical combined financial data for the first fiscal halves of 2011 and 2010 are derived from our unaudited interim Combined Financial Statements, which are included elsewhere in this information statement. We have prepared our unaudited combined financial statements on the same basis as our audited financial statements and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited periods. The selected historical combined financial data as of and for the first fiscal halves of 2011 and 2010 are not necessarily indicative of the results that may be obtained for a full year.

Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as a public company that we do not incur as a private company.

The financial statements included in this information statement may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during all periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance. The following table includes EBITDA and Adjusted EBITDA, which are financial measures we use in our business that are not calculated or presented in accordance with GAAP, but we believe these measures are useful to help investors understand our results of operations. We explain these measures and reconcile them to their most directly comparable financial measures calculated and presented in accordance with GAAP in Footnote No. 4 to the following table.

In presenting the financial data in conformity with GAAP, we are required to make estimates and assumptions that affect the amounts reported. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates,” included elsewhere in this information statement for detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

Between 2006 and 2010, we completed a number of acquisitions and dispositions, the results of operations and financial position of which have been included beginning from the relevant acquisition or disposition dates. See Footnote No. 7, “Acquisitions and Dispositions,” of the Notes to our annual Combined Financial Statements for a more detailed discussion of these acquisitions and dispositions.

In 2009 and 2008, we incurred restructuring charges of $44 million and $19 million, respectively. In addition, we recorded an impairment reversal of $5 million in the 2011 first half and impairment charges related to inventory and property and equipment in 2010, 2009 and 2008 of $15 million, $623 million and $44 million, respectively. We also recorded an equity investment impairment charge in 2009 of $138 million and an impairment reversal of $11 million in 2010 related to our investment in and loans to one joint venture and our estimated liability to fund its losses.

See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements for more detailed discussions of these items. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

The following selected historical financial and other data should be read in conjunction with “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Certain Relationships and Related Party Transactions” and our Combined Financial Statements and related notes included elsewhere in this information statement.

	Twenty-four WeeksEnded		Fiscal Years				
($ in millions)	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Statement of operations data:							
Total revenues	$ 751	$ 745	$1,584	$1,596	$1,916	$2,240	$1,971
Total revenues net of total expenses	61	55	88	(615)	(2)	274	250
Net income (loss) attributable to MVW	35	30	67	(521)	9	178	60
Balance sheet data (end of period):							
Total assets	3,492	3,801	3,642	3,036	3,811	3,297	2,733
Total debt	898	1,005	1,022	59	85	132	5
Total liabilities	1,576	1,705	1,738	813	965	1,038	883
Divisional equity	1,916	2,096	1,904	2,223	2,846	2,259	1,850
Other data:							
EBITDA[4]	$ 100	$ 94	$ 207	$ (720)	$ 55	$ 323	$ 129
Adjusted EBITDA[4]	$ 78	$ 61	$ 155	$ 85	$ 118	$ 323	$ 129
Contract sales[3]:							
Vacation ownership	306	329	692	736	1,133	1,352	1,345
Residential products	2	10	13	12	58	49	287
Total before cancellation allowance	308	339	705	748	1,191	1,401	1,632
Cancellation allowance	1	(14)	(20)	(83)	(115)	—	—
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076	$1,401	$1,632

(1) We adopted the new Consolidation Standard in our 2010 first quarter, which significantly increased our reported notes receivable and debt. See Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

(2) We adopted certain provisions of Accounting Standards Codification Topic 978 (previously Statement of Position 04-2, “Accounting for Real Estate Time Sharing Transactions”), in our 2006 first quarter, which we reported in our Statement of Operations as a cumulative effect of change in accounting principle.

(3) Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

(4) EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also

excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items, to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

The following is a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Twenty-four Weeks Ended		Fiscal Years				
	June 17, 2011	June 18, 2010	2010[1]	2009	2008	2007	2006[2]
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)	$177	$ 60
Interest Expense	22	28	56	—	—	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25	107	29
Depreciation and amortization	17	18	39	43	46	39	40
EBITDA	100	94	207	(720)	55	323	129
Restructuring expenses.	—	—	—	44	19	—	—
Impairment charges:							
Impairments.	—	(5)	15	623	44	—	—
Equity investment impairments.	—	—	(11)	138	—	—	—
Consumer financing interest expense	(22)	(28)	(56)	—	—	—	—
	(22)	(33)	(52)	805	63	—	—
Adjusted EBITDA.	$ 78	$ 61	$ 155	$ 85	$118	$323	$ 129

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements (together with the related notes) should be read in conjunction with the sections entitled “Business,” “Selected Historical Combined Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our historical annual and interim Combined Financial Statements and accompanying notes included elsewhere within this Information Statement.

The unaudited pro forma condensed combined financial statements set forth below are based on and have been derived from our historical annual and interim Combined Financial Statements, including the unaudited combined balance sheet as of June 17, 2011, the unaudited combined statement of operations for the twenty-four weeks ended June 17, 2011, and the audited combined statement of operations for 2010, which are included elsewhere within this Information Statement. Our historical financial statements include allocations of certain expenses from Marriott International, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, corporate governance activities and centrally managed employee benefit arrangements. These costs may not be representative of the future costs we will incur as an independent, public company, and do not include certain additional costs we may incur as an independent public company.

The unaudited pro forma condensed combined statement of operations gives effect to the spin-off as if it had occurred on January 2, 2010. The unaudited pro forma combined balance sheet gives effect to the spin-off as if it had occurred on June 17, 2011. In management’s opinion, the unaudited pro forma condensed combined financial statements reflect adjustments that are both necessary to present fairly the unaudited pro forma condensed combined statement of operations and the unaudited combined financial position of our business as of and for the periods indicated and are reasonable given the information currently available.

The unaudited pro forma condensed combined financial statements are for illustrative and informational purposes only and are not intended to represent what our results from operations or financial position would have been had the transactions contemplated by the Separation and Distribution Agreement occurred on the dates indicated. The unaudited pro forma condensed combined financial statements also should not be considered indicative of our future results of operations or financial position as an independent, public company.

The following unaudited pro forma condensed combined statement of operations and unaudited pro forma combined balance sheet give pro forma effect to the following:

- the completion by Marriott International of an internal reorganization as a result of which we will own, directly or indirectly, the entities that conduct Marriott International’s vacation ownership business and residential real estate development business, including all liabilities of such businesses at the distribution date;
- the distribution of our common stock to Marriott International shareholders (assuming a one to ten distribution ratio);
- our entry into the Revolving Corporate Credit Facility and Warehouse Credit Facility;
- the issuance by our subsidiary MVW US Holdings of $40 million of Series A mandatorily redeemable preferred stock to Marriott International as part of the internal reorganization (which Marriott International plans to sell to third-party investors prior to the distribution, with Marriott International retaining all net proceeds of such sale);
- our entry into the License Agreements, which require us to pay (i) a fixed annual fee of $50 million plus (ii) 2 percent of the gross sales price paid to us for initial developer sales of interests in vacation ownership units and residential real estate units and 1 percent of resales of interests in vacation ownership units and residential real estate units, in each case that are identified with or use the Marriott or Ritz-Carlton marks; and
- the retention by Marriott International of a majority of the net operating loss carryforwards we historically generated as of the distribution date.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the twenty-four weeks ended June 17, 2011
($ in millions)

	Historical	Adjustments	Pro Forma
REVENUES			
Sales of vacation ownership products, net	$ 295	$ —	$ 295
Resort management and other services	108	—	108
Financing	80	—	80
Rental	95	—	95
Other	15	—	15
Cost reimbursements	158	—	158
TOTAL REVENUES	751	—	751
EXPENSES			
Cost of vacation ownership	116	—	116
Marketing and sales	154	—	154
Resort management and other services	91	—	91
Financing and other	17	—	17
Rental	94	—	94
General and administrative	38	—	38
Interest	22	6 (B)(C)	28
Royalty fee	—	29 (A)	29
Cost reimbursements	158	—	158
TOTAL EXPENSES	690	35	725
INCOME BEFORE INCOME TAXES	61	(35)	26
Provision for income taxes	(26)	12 (D)	(14)
NET INCOME	$ 35	$ (23)	$ 12
Basic Outstanding Shares	N/A		36.2 (E)
Basic EPS	N/A		$ 0.33 (E)
Diluted Outstanding Shares	N/A		37.6 (F)
Diluted EPS	N/A		$ 0.32 (F)

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the fiscal year ended December 31, 2010
($ in millions)

	Historical	Adjustments		Pro Forma	
REVENUES					
Sales of vacation ownership products, net	$ 635	$ —		$ 635	
Resort management and other services	227	—		227	
Financing	188	—		188	
Rental	187	—		187	
Other	29	—		29	
Cost reimbursements	318	—		318	
TOTAL REVENUES	1,584	—		1,584	
EXPENSES					
Cost of vacation ownership products	247	—		247	
Marketing and sales	344	—		344	
Resort management and other services	196	—		196	
Financing and other	44	—		44	
Rental	194	—		194	
General and administrative	82	—		82	
Interest	56	16	(B)(C)	72	
Impairment	15	—		15	
Royalty Fee	—	64	(A)	64	
Cost reimbursements	318	—		318	
TOTAL EXPENSES	1,496	80		1,576	
Gains and other income	21	—		21	
Equity in losses	(8)	—		(8)	
Impairment reversals on equity investment	11	—		11	
INCOME BEFORE INCOME TAXES	112	(80)		32	
Provision for income taxes	(45)	28	(D)	(17)	
NET INCOME	$ 67	$ (52)		$ 15	
Basic Outstanding Shares	N/A			36.3	(E)
Basic EPS	N/A			$ 0.41	(E)
Diluted Outstanding Shares	N/A			37.8	(F)
Diluted EPS	N/A			$ 0.40	(F)

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of June 17, 2011
($ in millions)

	Historical	Adjustments		Pro Forma
ASSETS				
Cash and cash equivalents	$ 25	$		$ 25
Restricted cash (including $61 from VIEs)	75	—		75
Accounts and contracts receivable (net of allowance of $1)	97	—		97
Notes receivable (including $913 from VIEs)	1,188	—		1,188
Inventory	1,349	—		1,349
Property and equipment	306	—		306
Deferred taxes	316	(308)	(G)	8
Other (including $5 from VIEs)	136	9	(H)(I)	145
Total Assets	$ 3,492	$ (299)		$ 3,193
LIABILITIES AND DIVISIONAL EQUITY				
Accounts payable	$ 62	$ —		62
Advance deposits	57	—		57
Accrued liabilities	108	—		108
Deferred revenue	41	—		41
Payroll and benefits liability	61	—		61
Liability for Marriott Rewards loyalty program	198	—		198
Deferred compensation liability	63	—		63
Debt (including $895 from VIEs)	898	79	(J)	977
Preferred shares subject to mandatory redemptions	—	40	(H)	40
Other (including $5 from VIEs)	88	—		88
	1,576	119		1,695
Divisional Equity				
Net Parent Investment	1,888	(418)		1,470
Accumulated other comprehensive income	28	—		28
	1,916	(418)		1,498
Total Liabilities and Divisional Equity	$ 3,492	$ (299)		$ 3,193

The abbreviation VIEs above means Variable Interest Entities.

See accompanying notes to unaudited pro forma condensed combined financial statements.

MARRIOTT VACATIONS WORLDWIDE CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(A) Represents the fixed and variable components of the royalty fees of $29 million and $64 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively, paid by us under the License Agreements. The fixed fee is $50 million per year and the variable component is 2 percent of the gross sales price paid to us for initial developer sales of interests in vacation ownership units and residential real estate units, plus one percent of the gross sales price paid to us for resales of interests in vacation ownership units and residential real estate units, in each case that are identified with or use the Marriott or Ritz-Carlton marks.

(B) Reflects incremental interest expense in connection with the following events:

- Entry into the Revolving Corporate Credit Facility. The interest expense adjustment assumes amortization of debt issuance costs and unused line of credit fees of approximately $2 million and $4 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively.
- Entry into the Warehouse Credit Facility and monthly average borrowings under the Warehouse Credit Facility of $61 million and $137 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively. Borrowings under the Warehouse Credit Facility are limited to eligible notes receivable at any point in time. The monthly average borrowings under the Warehouse Credit Facility were estimated based on our historical eligible notes receivable balances for the last 18 months. The applicable interest rate on outstanding borrowings under the Warehouse Credit Facility fluctuates with LIBOR. Interest expense of $2 million and $7 million was calculated assuming an annual average interest rate of 2.69% and 3.48% for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively. The interest expense adjustment assumes amortization of debt issuance costs and unused line of credit fees of approximately $1 million and $3 million for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively.

(C) Reflects incremental interest expense as a result of the issuance by MVW US Holdings of $40 million of Series A mandatorily redeemable preferred stock to Marriott International, which will pay dividends at a rate of 12% per annum. The adjustment includes $2 million and $5 million of dividend payments and the amortization of initial transaction costs, both of which will be recorded within the interest expense caption of our Statement of Operations on the preferred shares issued by MVW US Holdings for the twenty-four weeks ended June 17, 2011 and the year ended December 31, 2010, respectively, which is not deductible for tax purposes.

(D) Represents the estimated tax impact of the above royalty and interest adjustments described in (A) and (B) above using a blended federal and state tax rate of 37.5%.

(E) Pro forma earnings per share and weighted average shares outstanding reflect the estimated number of common shares we expect to be outstanding upon the completion of the distribution (based on an assumed distribution ratio of one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock).

(F) Pro forma diluted earnings per share and pro forma weighted-average diluted shares outstanding reflect common shares that may be issued in connection with awards granted prior to the distribution under Marriott International equity plans in which our employees participate based on the distribution ratio noted above in (E). While the actual dilutive impact will depend on various factors, we believe the estimate yields a reasonable approximation of the dilutive impact of the Marriott International equity plans.

(G) This adjustment reflects the deferred tax asset to be recognized by Marriott International in connection with the internal reorganization prior to the spin-off, as of June 17, 2011.

(H) Represents the issuance of $40 million of Series A mandatorily redeemable preferred shares by MVW US Holdings to Marriott International which will pay dividends at a rate of 12% per annum and

related capitalized issuance costs of $2 million. Marriott International intends to sell these preferred shares to third parties prior to the distribution date and will retain all net proceeds of such sale.

(I) Represents the estimated fees and costs expected to be incurred and capitalized of $7 million in connection with the Revolving Corporate Credit Facility and the Warehouse Credit Facility.

(J) Represents an advance of $79 million under the Warehouse Credit Facility at June 17, 2011, based on the principal amount of eligible notes receivable at that date and an assumed advance rate of 80%.

See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

We will enter into agreements for Marriott International to provide certain services on a short-term transitional basis, including payroll, accounts payable and fixed asset accounting services and access to the software required to receive such services. Our future costs have not been finalized for these services. We expect to be charged based on the incremental resources required by Marriott International to provide them or on an allocation based on usage of such software and services. We expect our incremental ongoing costs for these services will be less than $1 million per annum over current levels.

Prior to and as part of the spin-off, we may incur up to $5 million of information technology costs.

BUSINESS

Overview

We are a worldwide developer, marketer, seller and manager of vacation ownership resorts and vacation club, destination club and exchange programs, principally under the “Marriott” and “Ritz-Carlton” brands and trademarks, which we will license after the spin-off from Marriott International and Ritz-Carlton. When our spin-off from Marriott International is complete, we expect to be the world’s largest company whose business is focused almost entirely on vacation ownership, based on number of owners, number of resorts and revenues.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory. As of December 31, 2010, we had 64 vacation ownership resorts (under 71 separate resort management contracts) in the United States and eight other countries and territories and approximately 400,000 owners of our vacation ownership and residential products.

Under our License Agreement with Marriott International, after the spin-off we will have the exclusive right to develop, market, sell and manage vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. Under our License Agreement with Ritz-Carlton, after the spin-off we will have the exclusive right to develop, market and sell vacation ownership and related products under The Ritz-Carlton Destination Club brand and the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. Ritz-Carlton generally will provide on-site management for Ritz-Carlton branded properties.

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. We believe that we have significant competitive advantages, including our scale and global reach, a dual product platform that includes both upscale and luxury tier products, the quality and strength of the Marriott and Ritz-Carlton brands, our loyal and highly satisfied customer base, our long-standing track record and our experienced management team. Our strategy focuses on leveraging our globally recognized brand names and existing customer base to grow sales; maximizing our cash flow by more closely matching inventory development with sales pace; maintaining and improving the satisfaction of our owners, guests and associates; disposing of excess assets and selectively pursuing “asset light” deals; and selectively pursuing new business opportunities.

The Vacation Ownership Industry

The vacation ownership industry (also known as the timeshare industry) enables customers to share ownership and use of fully-furnished vacation accommodations. Typically, a vacation ownership purchaser acquires either a fee simple interest in a property (or collection of properties), which gives the purchaser title to a fraction of a unit, or a right to use a property for a specific period of time. These rights may consist of a deeded interest in a specified accommodation unit, an undivided interest in a building or resort, or an interest in a trust that owns one or more resorts. Generally, a vacation ownership purchaser’s fee simple interest in or right to use a property is referred to as a “vacation ownership interest.” By purchasing a vacation ownership interest, owners make a commitment to vacation. For many vacation ownership interest purchasers, vacation ownership is an attractive vacation alternative to traditional lodging accommodations at hotels. By purchasing a vacation ownership interest, owners can avoid the volatility in room rates to which lodging customers are subject. Owners can also enjoy vacation ownership accommodations that are, on average, more than twice the size of traditional hotel rooms and typically have more amenities, such as kitchens, than traditional hotel rooms. Other vacation ownership purchasers find vacation ownership preferable to owning a second home because vacation ownership is more convenient and offers greater flexibility.

Typically, developers sell vacation ownership interests for a fixed purchase price that is paid in full at closing. Many vacation ownership companies provide financing or facilitate access to third-party bank financing for customers. Vacation ownership resorts are often managed by a nonprofit property owners’ association in

which owners of vacation ownership interests participate. Most property owners' associations are governed by a board of trustees or directors that includes representatives of the owners, which may include the developer for so long as the developer owns interests in the resort. Some vacation ownership resorts are held through a trust structure in which a trustee holds title to the resort and manages the resort. The board of the property owners' association, or trustee, as applicable, typically delegates much of the responsibility for managing the resort to a management company, which may be affiliated with the developer.

After the initial purchase, most vacation ownership programs require the owner of the vacation ownership interest to pay an annual maintenance fee. This fee represents the owner's allocable share of the costs and expenses of operating and maintaining the vacation ownership resorts, including management fees and expenses, taxes, insurance, and other related costs, and of providing program services (such as reservation services). This fee typically includes a property management fee payable to the vacation ownership company for providing management services as well as an assessment for funds to be deposited into a capital asset reserve fund and used to renovate, refurbish and replace furnishings, common areas and other assets (*e.g.*, parking lots or roofs) as needed over time. Owners typically reserve their usage of vacation accommodations in advance through a reservation system (often provided by the vacation ownership company), unless a vacation ownership interest specifies a fixed usage date every year. The vacation ownership industry has grown through expansion of established vacation ownership developers as well as the entrance into this market of well-known lodging and entertainment companies, including Marriott International, Disney, Four Seasons, Hilton, Hyatt, Starwood and Wyndham, which have developed larger resorts as the vacation ownership resort industry has matured. The industry's growth can also be attributed to increased market acceptance of vacation ownership resorts, stronger consumer protection laws and the evolution of vacation ownership interests from a fixed- or floating-week product, which provides the right to use the same property every year, to membership in multi-resort vacation networks, which offer a more flexible vacation experience. These vacation networks often issue their members an annual allotment of points that the member can redeem in exchange for stays at the vacation ownership resorts included in the network or for other vacation options available through the program.

To enhance the appeal of their products, vacation ownership developers with multiple resorts and/or hotel affiliations typically establish systems that enable owners to use resorts across their resort portfolio, and/or their affiliated hotel networks. In addition to these resort systems, developers of all sizes typically also affiliate with vacation ownership exchange companies in order to give customers the ability to exchange their rights to use the developer's resorts into a broader network of resorts. The two leading exchange service providers are Interval International, with which we are associated, and Resort Condominium International. Interval International's and Resort Condominium International's networks include over 2,600 and 3,700 affiliated resorts, respectively, as identified on each company's website.

According to the American Resort Development Association ("ARDA"), a trade association representing the vacation ownership and resort development industries, as of December 31, 2010, the U.S. vacation ownership community was comprised of approximately 1,548 resorts, representing approximately 197,600 units and an estimated 8.1 million vacation ownership week equivalents. The vacation ownership industry grew steadily between 1975 and 2008, with sales increasing from $0.1 billion in 1975 to $9.7 billion in 2008, according to ARDA. During the global recession of 2008 and 2009, the pace of growth slowed, with sales declining from $9.7 billion in 2008 to $6.3 billion in 2009. According to ARDA, the industry began to recover in 2010, with sales stabilizing at $6.4 billion. We believe there is considerable potential for further growth in the vacation ownership industry. According to ARDA's 2010 Market Sizing Survey conducted in January 2010, approximately 7 percent of all U.S. households own a vacation ownership interest.

We believe that competition in the vacation ownership industry is based primarily on the quality, number and location of vacation ownership resorts, trust in the brand, the pricing of product offerings and the availability of program benefits, such as exchange programs and access to affiliated hotel networks. Vacation ownership is a leisure vacation option that is positioned and sold as an attractive alternative to vacation rentals (*e.g.*, hotels, resorts and condominium rentals) and second home ownership. The various segments within the vacation

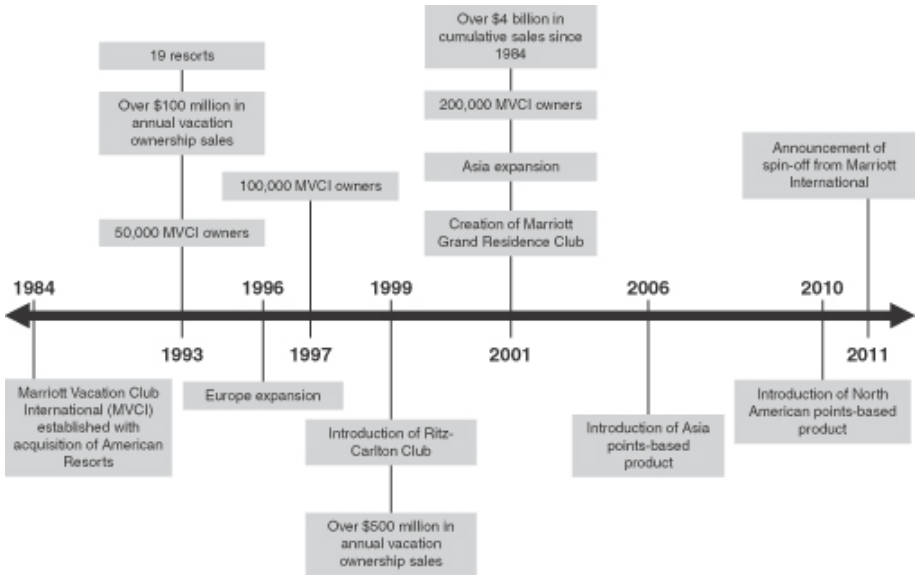
ownership industry are differentiated by the quality level of the accommodations, range of services and ancillary offerings, and price. Our brands operate in the upscale and luxury tiers of the vacation ownership segment of the industry and the upscale and luxury tiers of the whole ownership segment (also referred to as the residential segment) of the industry.

Our History

In 1984, Marriott International's predecessor, Marriott Corporation, became the first major lodging company to enter the vacation ownership industry with its acquisition of American Resorts, a small vacation ownership company with four U.S. locations and 6,000 owners. Marriott International leveraged its well-known "Marriott" brand to sell one-week vacation ownership intervals, which were frequently located at resorts developed adjacent to Marriott International hotels. The company differentiated its offerings through its high-quality resorts that were purpose-built for vacation ownership, its dedication to excellent customer service and its commitment to ethical business practices. These qualities encouraged repeat business and word-of-mouth customer referrals.

Marriott International, working with ARDA, also encouraged the enactment of responsible consumer-protection legislation and state regulation that enhanced the reputation and respectability of the overall vacation ownership industry. As Marriott International's vacation ownership business expanded, it provided new and existing owners with a growing variety of vacation experiences and resort locations. We believe that, over time, Marriott International's vacation ownership products and services helped improve the public perception of the vacation ownership industry. A number of other major lodging companies later entered the vacation ownership business, further enhancing the industry's image and credibility.

The following timeline notes significant steps in the evolution of our business and product offerings to date:



From 1984 to 2010, our gross vacation ownership sales grew at a 16 percent compound annual rate, from total contract sales of $14 million in 1984 to $705 million in 2010. Beginning in 2008, the global recession dramatically reduced vacation ownership industry demand, particularly in the United States. Disruptions in the mortgage-backed securitization market made it difficult to securitize consumer financing receivables, including vacation ownership loans. We responded to these changes by adjusting our marketing and sales approach to focus on higher yielding marketing channels and customers having a higher affinity for the Marriott brand. We closed

less productive sales offices, significantly reduced inventory development activities and eliminated consumer financing incentives. We increased cash flow by reducing overhead and capital expenditures. Despite the difficult economy, our business generated $67 million in after-tax earnings and $383 million in cash flow from operations in 2010. As of December 31, 2010, approximately 400,000 owners owned one or more of our vacation ownership and residential products.

Given our improved operating efficiency and profitability, significant available inventory and the successful launch of the MVCD program, Marriott International believed the timing was right to launch Marriott Vacations Worldwide as an independent company. In February 2011, Marriott International announced its intention to spin-off its vacation ownership business to its shareholders through a special dividend.

Marriott Vacations Worldwide Corporation was incorporated in Delaware in June 2011. Our corporate headquarters is located in Orlando, Florida.

Our Brands

We design, build, manage and maintain our properties at upscale and luxury levels in accordance with the Marriott International and Ritz-Carlton brand standards that we must comply with under the License Agreements. For a further discussion of these requirements please refer to “Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off.”

We offer our products under four brands:

The **Marriott Vacation Club** brand is our signature offering in the upscale tier of the vacation ownership industry. Marriott Vacation Club resorts typically combine many of the comforts of home, such as spacious accommodations with one-, two- and three- bedroom options, living and dining areas, in-unit kitchens and laundry facilities, with resort amenities such as large feature swimming pools, restaurants and bars, convenience stores, fitness facilities and spas, as well as sports and recreation facilities appropriate for each resort’s unique location. As of December 31, 2010, this system of resorts consisted of 53 resorts in 33 destinations in the United States and six other countries and territories.

The Marriott Vacation Club products are currently marketed for sale throughout the United States and in over 40 countries around the world, targeting customers who vacation regularly with a focus on family, relaxation and recreational activities. We offer this brand primarily in a points-based format and to a lesser extent as weekly intervals.

Grand Residences by Marriott is an upscale tier vacation ownership and whole ownership residence brand. Our vacation ownership products under this brand currently include multi-week ownership interests in two locations: Lake Tahoe, California; and London, England. The ownership structure, physical products and usage options for these two locations are similar to those we offer to Marriott Vacation Club owners, although the time period for each Grand Residences by Marriott ownership interest ranges between three and thirteen weeks. We also currently offer whole ownership residential products under this brand in two locations: Panama City, Florida; and Kauai, Hawaii. Three of our Grand Residences by Marriott locations (Lake Tahoe, Panama City and Kauai) are co-located with Marriott Vacation Club resorts.

The **Ritz-Carlton Destination Club** brand is our vacation ownership offering in the luxury tier of the industry. The Ritz-Carlton Destination Club provides luxurious vacation experiences commensurate with the legacy of the Ritz-Carlton brand. Ritz-Carlton Destination Club resorts typically feature two-, three- and four- bedroom units that generally include marble foyers, walk-in closets and custom kitchen cabinetry, and luxury resort amenities such as large feature pools and full service restaurants and bars. The on-site services, which usually include daily maid service, valet, in-residence dining, and access to fitness facilities as well as spa and sports facilities as appropriate for each destination, are delivered by Ritz-Carlton. As of December 31, 2010, the Ritz-Carlton Destination Club system consisted of ten premier destinations in the United States, the Bahamas and the Caribbean.

Ritz-Carlton Destination Club products are offered in both a points-based resort system format and in multi-week ownership interests with a specific resort preference. In the United States, the predominant form of ownership provides our owners with real estate ownership rights in perpetuity.

The **Ritz-Carlton Residences** brand is a whole ownership residence brand in the luxury tier of the industry. The Ritz-Carlton Residences include whole ownership luxury residential condominiums and home sites for luxury home construction co-located with four of our Ritz-Carlton Destination Club resorts in the Bahamas; Kapalua, Hawaii; Jupiter, Florida; and San Francisco, California. Owners can typically purchase condominiums that vary in size from one-bedroom apartments to spacious penthouses. Ritz-Carlton Residences are situated in settings ranging from city center locations to golf and beach communities with private homes where residents can avail themselves of the services and facilities that are associated with the co-located Ritz-Carlton Destination Club resort on an a la carte basis. On-site services are delivered by Ritz-Carlton. While the worldwide residential market is very large, the luxurious nature of the Ritz-Carlton Residences properties, the quality and exclusivity associated with the Ritz-Carlton brand, and the hospitality services that we provide all make our Ritz-Carlton Residences properties distinctive.

Our Products

Our Points-Based Vacation Ownership Products

We offer the majority of our Marriott Vacation Club and Ritz-Carlton Destination Club products through three points-based ownership programs: MVCD; The Ritz-Carlton Destination Club; and Marriott Vacation Club, Asia Pacific. While the individual characteristics of each of our points-based programs differ slightly, in each program, owners receive an annual allotment of points representing the owners' usage rights, and owners can use these points to access vacation ownership units across multiple destinations within their program's portfolio of resort locations. Each program permits shorter or longer stays than a traditional weeks-based vacation ownership product and provides for flexible check-in days. The MVCD and the Marriott Vacation Club, Asia Pacific programs allow owners to bank and borrow their annual point allotments, as well as access other Marriott Vacation Club locations through internal exchange programs that we and Interval International operate, access Interval International's approximately 2,600 affiliated resorts, or trade their vacation ownership usage rights for Marriott Rewards Points. Owners can use Marriott Rewards Points to access Marriott International's system of over 3,500 participating hotels or redeem their Marriott Rewards Points for airline miles or other merchandise offered through the Marriott Rewards customer loyalty program. The Ritz-Carlton Destination Club points-based product allows owners to access the system of Ritz-Carlton Destination Club resorts based on an internal exchange program that we operate, as well as Ritz-Carlton hotels worldwide and a growing list of exchange and vacation travel options.

MVCD owners and Ritz-Carlton Destination Club owners hold an interest in real estate, owned in perpetuity. Our Marriott Vacation Club, Asia Pacific program offers usage for a term of approximately 50 years from the program's date of launch. In each program, owners receive an annual allotment of vacation club points for the vacation ownership interests purchased, which they redeem for stays at our vacation ownership resorts or for other usage options provided by or available through their respective programs. Members of our points-based programs pay annual fees in exchange for the ability to participate in the program.

Our Weeks-Based Vacation Ownership Products

We continue to sell Marriott Vacation Club branded weeks-based vacation ownership products in select markets, including in countries where legal and tax constraints currently limit our ability to include those locations in the MVCD trust. We offer multi-week vacation ownership interests in specific Ritz-Carlton Destination Club resorts in addition to our points-based offering described above to address demand from some owners for site specific ownership. Our Marriott Vacation Club, Grand Residences by Marriott and Ritz-Carlton Destination Club weeks-based vacation ownership products in the United States and select Caribbean locations are typically sold as fee simple deeded real estate interests at a specific resort representing an ownership interest

in perpetuity, except where restricted by leasehold or other structural limitations. We sell vacation ownership interests as a right-to-use product subject to a finite term under the Marriott Vacation Club brand in Europe and Asia Pacific and under the Grand Residences by Marriott brand in Europe.

As part of the launch of the MVCD program in mid-2010, we offered our existing Marriott Vacation Club owners who held weeks-based products the opportunity to participate in the MVCD program on a voluntary basis. All existing owners, whether or not they elected to participate in the MVCD program, retained their existing rights and privileges of vacation ownership. Owners who elected to participate in the program received the ability to trade their weeks-based intervals usage for vacation club points usage each year, subject to payment of an initial enrollment fee and annual fees. As of the end of the first half of 2011, almost 75,000 weeks-based owners have enrolled over 140,000 weeks in the MVCD program since its launch and, of the 75,000 owners who have enrolled with one of our sales executives, approximately 32 percent have purchased additional MVCD points. As more weeks-based owners enroll in the MVCD program and elect to exchange their usage, available inventory increases for all MVCD program participants.

Our Sources of Revenue

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory.

Sale of Vacation Ownership Products

Our principal source of revenue is the sale of vacation ownership interests. See "—Marketing and Sales Activities" below for information regarding our marketing and sales activities.

Resort Management and Other Services Revenue

We generate revenue from fees we earn for managing each of our resorts. See "—Property Management Activities" below for additional information on the terms of our management agreements. In addition, we receive annual fees from members of the MVCD program. We also earn revenue from food and beverage offerings, golf courses and spas at our various resorts.

Financing Revenue

We earn interest income on loans that we provide to purchasers of our vacation ownership interests, as well as loan servicing and other fees. See "—Consumer Financing" below for further information regarding our consumer financing activities.

Rental Revenue

We generate rental revenue from transient rentals of inventory we hold for development and sale as interests in our vacation ownership programs or as residences, or inventory that we control because our owners have elected various usage options permitted under our vacation ownership programs.

Marketing and Sales Activities

We sell our upscale tier vacation ownership products under the Marriott Vacation Club brand primarily through our worldwide network of resort-based sales centers and certain off-site sales locations. Approximately 85 percent of our sales originate at one of our sales centers that are co-located with one of our resorts. We maintain a range of different off-site sales centers, including our central telesales organization based in Orlando, our network of third-party brokers in Latin America and our city-based sales centers, such as our sales centers in Dubai, Hong Kong and Singapore. We have over 65 global sales locations focused on the sale of Marriott Vacation Club products.

We utilize a number of marketing channels to attract qualified customers to our sales locations for our Marriott Vacation Club vacation ownership products. Historically, approximately 50 percent of our annual sales revenues were from purchases by existing owners and their referrals. Since 2008, in response to decreased consumer demand, we curtailed some of our higher cost marketing channels and, more recently, beginning in the middle of 2010, we focused our initial MVCD sales activities on existing Marriott Vacation Club owners. As a result of these initiatives, the percentage of sales from our owners and their referrals has increased to approximately 70 percent as of June 17, 2011. We solicit our owners to add to their ownership primarily while they are staying in our resorts. We also offer our owners the opportunity to make additional purchases through direct phone sales, owner events and referrals from our central customer service center located in Salt Lake City. We offer customers who are referred to us by our owners discounted stays at our resorts and conduct scheduled sales tours while they are on-site. Where allowed by regulation, we offer Marriott Rewards Points to our owners when their referral candidates tour with us or buy vacation ownership interests from us.

We also market to existing Marriott Rewards customer loyalty program members and travelers who are staying in locations where we have resorts. We market extensively to guests in Marriott International hotels that are located near one of our sales locations. In addition, we operate other local marketing venues in various high-traffic areas. A significant part of our direct marketing activities are focused on prospects in the Marriott Rewards customer loyalty program database and our own in-house database of qualified prospects. Guests who do not buy a vacation ownership interest during their initial tour are offered a special package for another stay at our resorts within a year. These return guests are typically twice as likely to purchase as a first time visitor.

Our Marriott Vacation Club sales tours are designed to provide our guests with an in-depth overview of our company and our products, as well as a customized presentation to explain how our products and services can meet their vacationing needs. Our sales force is highly trained in a consultative sales approach designed to ensure that we meet customers' needs on an individual basis. We hire our Marriott Vacation Club sales executives based on stringent selection criteria. After they are hired, they spend a minimum of four weeks in product and sales training before interacting with any customers. We manage our sales executives' consistency of presentation and professionalism using a variety of sales tools and technology and through a post-presentation survey of our guests that measures many aspects of each guest's interaction with us.

The marketing channels we use for our upscale tier vacation ownership products sold under the Grand Residences by Marriott brand and our luxury tier vacation ownership products sold under the Ritz-Carlton Destination Club brand are fairly consistent with those we use for our Marriott Vacation Club products, but the types of customers we target differ substantially due to the substantially greater financial commitment involved. For example, we partner with commercial airlines for Marriott Vacation Club products and with fractional private air operators such as Marquis Jets and Net Jets for The Ritz-Carlton Destination Club products. Similarly, our marketing arrangements with American Express are designed to target Gold Card members for our Marriott Vacation Club vacation ownership products and Platinum Card members for our Grand Residences by Marriott and Ritz-Carlton Destination Club vacation ownership products.

While we also rely on on-site resort sales locations to market our Grand Residences by Marriott and Ritz-Carlton Destination Club products, much of the sales activity takes place well after our customers' initial visits and is supported by sales personnel located in the same market as the customer. As the purchase price of the Ritz-Carlton Destination Club products and Grand Residences by Marriott products generally start at more than four times the average Marriott Vacation Club purchase price, buyers of these products tend to take more time to consider their purchase. Our residential sales are typically conducted through our own and third-party brokerage services.

We believe consumers place a great deal of trust in the Marriott and Ritz-Carlton brands and the strength of these brands is important to our ability to attract qualified prospects in the marketplace. We maintain a prominent presence on the www.marriott.com and www.ritzcarlton.com websites. Our proprietary sites, www.marriottvacationclub.com and www.ritzcarltonclub.com, have more than 5,000,000 visits per year.

Inventory and Development Activities

We secure inventory by building multiple phases at our existing resorts, repurchasing inventory in the secondary market, beginning ground up development in strategic markets, acquiring built inventory at new locations, and/or establishing fee-based marketing and management agreements with real estate developers and lenders.

After selecting a site we believe is suitable for development and attractive to customers, we typically complete the development of a new resort's design and entitlement process within one year from the acquisition of the land. We typically complete the basic infrastructure of the resort within the following year, and generally deliver units and core amenities, such as pools and food and beverage facilities, during the initial phase of the development six to nine months after the infrastructure is completed. We pace our construction to demand trends.

Approximately one-third of our vacation ownership resorts are co-located with Marriott International and Ritz-Carlton hotel properties. Co-location of our resorts with Marriott International or Ritz-Carlton branded hotels can provide several advantages from development, operations, customer experience and marketing perspectives, including sharing amenities, infrastructure and staff; integration of services; and other cost efficiencies. The larger campus of an integrated vacation ownership and hotel resort often can afford our owners more varied and elaborate amenities than those that would have been available for the resort on a stand-alone basis. Shared infrastructure can also reduce our overall development costs for our resorts on a per unit basis. Integration of services and sharing staff and other expenses can lower overhead and operating costs for our resorts. Our on-site access to hotel customers, including Marriott Rewards customer loyalty program members, who are visiting co-located hotels also provides us with a cost-effective marketing channel for our vacation ownership products.

Co-located resorts require cooperation and coordination among all parties and are subject to cost sharing and integration agreements among us, the applicable property owners association and managers and owners of the co-located hotel. Our License Agreements with Marriott International and Ritz-Carlton allow for the development of co-located properties in the future, and we intend to pursue co-located projects with them opportunistically.

Under our points-based business model, we are able to supply many sales offices with new inventory from a small number of resort locations, which provides us with greater efficiency in the use of our capital. As a result, our risk associated with construction delays is concentrated in fewer locations than it has been in the past. Additionally, selling vacation ownership interests in a system of resorts under a points-based business model increases the risk of temporary inventory depletion. We sell vacation ownership interests denominated in points from a single trust entity in each of our North America, Asia Pacific and Luxury business segments. Thus, the primary source of inventory for each segment is concentrated in its corresponding trust. To avoid the risk of temporary inventory depletion, we employ a strategy of seeking to maintain a six- to nine-month surplus supply of inventory available to sell. Even in the unlikely event that this surplus is not sufficient, we believe that the actual risk of temporary inventory depletion is relatively minor, as there are other mitigation strategies that could be employed to prevent such an occurrence, such as accelerating completion of resorts under construction, acquiring vacation ownership interests on the secondary market, or reducing sales pace by adjusting prices or sales incentives.

Owners generally can offer their vacation ownership interests for resale on the secondary market, which can create pricing pressure on the sale of developer inventory. However, owners who purchase vacation ownership interests on the secondary market typically do not receive all of the same benefits as owners who purchase products directly from us. When an owner purchases a vacation ownership interest directly from us, the owner receives certain entitlements, such as the right to reserve a resort unit that underlies their vacation ownership interest in order to occupy that unit or exchange its use for use of a unit at another resort through an outside exchange company, that are tied to the underlying vacation ownership interest, as well as benefits that are incidental to the purchase of the vacation ownership interest. While a purchaser on the secondary market will

receive all of the entitlements that are tied to the underlying vacation ownership interest, the purchaser will not receive certain incidental benefits. For example, owners who purchase our products on the secondary market are not entitled to trade their usage rights for Marriott Rewards Points. Owners of our points-based products who do not purchase from us do not have access to our internal exchange program and are not entitled to trade their usage rights for Marriott Rewards Points. Therefore, those owners are only able to use the inventory that underlies the vacation ownership interests they purchased. Additionally, most of our vacation ownership interests provide us with a right of first refusal on secondary market sales. We monitor sales that occur in the secondary market and exercise our right of first refusal when it is advantageous for us to do so, whether due to pricing, desire for the particular inventory, or other factors. All owners, whether they purchase directly from us or on the secondary market, are responsible for the annual maintenance fees, property taxes and any assessments that are levied by the relevant property owners' association, as well as any exchange company membership dues or service fees.

We own certain parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed inventory with our sales pace and to pursue future "asset light" development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as "excess." Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, "Subsequent Events," of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

Property Management Activities

We enter into a management agreement with the property owners' association at each of our resorts or, in the case of resorts held by a trust, with the associated trust. In exchange for a management fee, we typically provide owner account management (reservations/usage selection), housekeeping, check-in, maintenance and billing and collections services. The management fee is typically between 10 to 15 percent of the resort and program operating costs. We earn these fees regardless of usage or occupancy. We also receive revenues that represent reimbursement for certain costs we incur under our management agreements, principally related to payroll costs, at the locations where we employ the associates providing on-site services.

The terms of our management agreements typically range from three to ten years and are subject to periodic renewal for three to five year terms. Many of these agreements renew automatically unless either party provides advance notice of termination before the expiration of the term. In our 27-year history, our management agreements for most of our resorts have been regularly renewed, and very few resorts have left our system. When our management agreement for a resort expires or is terminated, the resort loses the ability to use the Marriott name and trademarks. The owners at such resorts also lose their ability to trade their vacation ownership usage rights for Marriott Rewards Points and to access other Marriott Vacation Club resorts through our internal exchange system.

Ritz-Carlton manages the on-site operations for all Ritz-Carlton Destination Club and Ritz-Carlton Residences properties under separate management agreements with us or the relevant property owners' association or trust for each property, except that we manage one such property that has only three units. We provide property owners' association governance and vacation ownership program management services for the Ritz-Carlton Destination Club properties, including preparing association budgets, facilitating association meetings, billing and collecting maintenance fees, and supporting reservations, vacation experience planning and other off-site member services. We and Ritz-Carlton split the management fees equally for these resorts. If a management agreement for a resort expires or is terminated, the resort loses the ability to use the Ritz-Carlton name and trademarks. The owners at such resorts would also lose their ability to access other Ritz-Carlton Destination Club usage benefits, such as access to accommodations at the other Ritz-Carlton Destination Club resorts, preferential access to Ritz-Carlton hotels worldwide and access to our internal exchange and vacation travel options.

Each management agreement requires the property owners' association or trust to provide sufficient funds to pay for the vacation ownership program and resort operating costs. To satisfy this requirement, owners of vacation ownership interests pay an annual maintenance fee. This fee represents the owner's allocable share of the costs of operating and maintaining the vacation ownership resorts, including management fees and expenses, taxes (in some locations), insurance, and other related costs, and the costs of providing program services (such as reservation services). This fee includes a management fee payable to us for providing management services as well as an assessment for funds to be deposited into a capital asset reserve fund and used to renovate, refurbish and replace furnishings, common areas and other assets (*e.g.*, parking lots or roofs) as needed over time. As the owner of completed but unsold vacation ownership inventory, we also pay maintenance fees in accordance with the legal requirements of the jurisdictions applicable to such resorts and programs. In addition, in early phases of development at a resort, we sometimes enter into subsidy agreements with the property owners' associations under which we agree to pay costs that otherwise would be covered by annual maintenance fees associated with vacation ownership interests or units that have not yet been built. These subsidy arrangements help keep maintenance fees at a customary level for owners that purchase in the early stages of development.

In the event of a default by an owner in payment of maintenance fees or other assessments, the property owners' association typically has the right to foreclose on or revoke the defaulting owner's vacation ownership interest. We sometimes enter into arrangements with property owners' associations to assist in reselling foreclosed or revoked vacation ownership interests or to reacquire such foreclosed or revoked vacation ownership interests from the property owners' associations.

Consumer Financing

We offer purchase money financing for qualified purchasers of our vacation ownership products. By offering or eliminating financing incentives and modifying underwriting standards, we have been able to increase or decrease our financing activities depending on market conditions.

In the first half of 2011, just under 42 percent of Marriott Vacation Club customers financed their purchase with us. The average loan for our Marriott Vacation Club products totaled just over $22,000, which represented just over 86 percent of the purchase price. Our policy is to require a minimum downpayment of 10 percent of the purchase price for qualified applicants, although downpayments and/or interest rates are higher for applicants with credit scores below certain levels and for purchasers who do not have credit scores, such as non-U.S. purchasers. The average interest rate for loans for our Marriott Vacation Club products made in the first half of 2011 was approximately 12.31 percent and the average term was 9.5 years. Interest rates are fixed, and a loan fully amortizes over the life of the loan. The average monthly mortgage payment for a Marriott Vacation Club owner who received a loan in the first half of 2011 was $480. Historically, about 18 percent of borrowers prepay their loan within the first six months.

Generally, loans for our Ritz-Carlton Destination Club products have a significantly higher balance, a longer term and a lower interest rate than loans for our Marriott Vacation Club products. In the first half of 2011, approximately 12 percent of Ritz-Carlton Destination Club owners financed their purchase with us. We do not provide financing to residential buyers.

In the first half of 2011, just over 82 percent of our loans were used to finance U.S.-based products. In our North American business, we perform a credit investigation or other review or inquiry to determine the purchaser's credit history before extending a loan. The interest rates on the loans we provide are based primarily upon the purchaser's credit score, the size of the purchase and the amount of the downpayment. We base our financing terms largely on a purchaser's FICO score, which is a branded version of a consumer credit score widely used in the United States by banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. In the first half of 2011, the average FICO score of our customers who were U.S. citizens or residents who financed a vacation ownership purchase was 737; 74 percent had a credit score of over 700, 89 percent had a credit score of over 650 and over 96 percent had a credit score of over 600.

In the event of a default, we generally have the right to foreclose on or revoke the defaulting owner's vacation ownership interest. We typically resell interests that we reacquire through foreclosure.

We securitize the majority of the loans we originate in support of our North American business to institutional investors in the asset-backed securities market on a non-recourse basis. In 2010, we securitized $230 million in loans. Since the early 1990s, we have securitized over $4.6 billion of loans to investors. We retain the servicing and collection responsibilities for the loans we securitize, for which we receive a servicing fee.

Our Competitive Advantages

We believe that we have significant competitive advantages that support our leadership position in the vacation ownership industry.

Leading global "pure-play" vacation ownership company

When the spin-off is complete, we expect to be the world's largest "pure-play" vacation ownership company (that is, a company whose business is focused almost entirely on vacation ownership), based on number of owners, number of resorts and revenues. As a "pure-play" vacation ownership company, we will be able to enhance our focus on the vacation ownership industry and tailor our business strategy to address our company's industry-specific goals and needs.

We believe our scale and global reach, coupled with our renowned brands and development, marketing, sales and management expertise, help us achieve operational efficiencies and support future growth opportunities. Our size allows us to provide owners with a wide variety of experiences within our resort portfolio. We also believe our size helps us obtain better financing terms from lenders, achieve cost savings in procurement and attract talented management and associates.

The breadth and depth of our operations enables us to offer a variety of products. We are one of the only vacation ownership companies with a dual product platform; we cater to a diverse range of customers through our upscale tier Marriott branded vacation ownership products and our luxury tier Ritz-Carlton branded vacation ownership products.

Premier global brands

We believe that the exclusive licenses of the Marriott and Ritz-Carlton brands we will enter into for use in the vacation ownership business will provide us with a meaningful competitive advantage. Marriott International is a leading lodging company with over 3,500 properties in 70 countries and territories, including Marriott and Ritz-Carlton branded properties. Consumer confidence in these renowned brands helps us attract and retain guests and owners. In addition, we provide our customers with access to the award-winning Marriott Rewards customer loyalty program. We also utilize the Marriott and Ritz-Carlton websites, www.marriott.com and www.ritzcarlton.com, as relatively low-cost marketing tools to introduce Marriott and Ritz-Carlton guests to our products and rent available inventory.

Loyal, highly satisfied customers

We have a large, highly satisfied customer base. In 2010, based on nearly 210,000 survey responses, 90 percent of respondents indicated that they were highly satisfied with our products, sales, owner services and their on-site experiences (by selecting 8, 9 or 10 on a 10-point scale). Owner satisfaction is also demonstrated by the fact that our average resort occupancy was 90 percent in 2010, significantly higher than the overall vacation ownership industry average of nearly 80 percent, as reported by ARDA. We believe that strong customer satisfaction and brand loyalty result in more frequent use of our products and encourage owners to purchase additional products and to recommend our products to friends and family, which in turn generates higher revenues. Historically, approximately 50 percent of our business has come from sales of additional products to our owners or sales to friends and family referred to us by our owners.

Long-standing track record, experienced management and engaged associates

We have been a pioneer in the vacation ownership industry since 1984, when Marriott International became the first company to introduce a lodging-branded vacation ownership product. Our seasoned management team is led by Stephen P. Weisz, our President and Chief Executive Officer. Mr. Weisz has served as President of our company since 1997 and has 39 years of experience at Marriott International. William J. Shaw, the Chairman of our Board, is the former Vice Chairman, President and Chief Operating Officer of Marriott International and has 36 years of experience at Marriott International. Our ten executive officers have an average of 22 years of total experience at Marriott International, with approximately half of those years spent leading our business. We believe our management team's extensive public company and vacation ownership industry experience will enable us to continue to respond quickly and effectively to changing market conditions and consumer trends. Management's experience in the highly regulated vacation ownership industry should also provide us with a competitive advantage in expanding product forms and developing new ones.

We believe that our associates provide superior customer service, which enhances our competitive position. We leverage outstanding associate engagement and strong corporate culture to deliver positive customer experiences in sales, marketing and resort operations. We survey our associates regularly through an external survey provider to understand their satisfaction and engagement, defined as how passionate employees are about the company's mission and their willingness to "go the extra mile" to see it succeed. We routinely rank highly compared to other companies participating in such surveys. In 2010, we ranked in the 92nd percentile of Aon Hewitt's database of more than 450 companies and exceeded Aon Hewitt's 2010 Global Best Employer benchmark.

Our Business Strategy

Our strategic goal is to further strengthen our leadership position in the vacation ownership industry. To achieve this goal, we are pursuing the following initiatives:

Drive profitable sales growth

We intend to continue to generate growth in vacation ownership sales by leveraging our globally recognized brand names and focusing on our approximately 400,000 owners around the world. Since the launch of the MVCD program in 2010, we have been focused on educating our existing owners about, and enrolling them in, the program. We are now turning our focus toward generating a greater number of new owners. To do so, we plan to expand marketing activities that generate tours from new customer sources.

We are well-positioned to grow our stable and recurring revenue streams by capitalizing on the growth of vacation ownership sales to generate associated management and other fees and financing revenues. We expect to continue to offer our customers attractive financing alternatives, and we believe that by opportunistically securitizing loans and receivables, we can enhance our profitability and liquidity. As we expand our points-based system, we also expect to generate additional fee revenues because our owners pay us annual fees to participate in the program.

Maximize cash flow and optimize our capital structure

Through the use of our points-based products, we are able to more closely match inventory development with sales pace and reduce inventory levels, thereby improving our cash flows over time. Additionally, by limiting the amount of completed inventory on hand, we are able to reduce the maintenance fees that we pay on unsold units. Over the last few years, we have significantly reduced our overhead costs, and we intend to continue to control costs as sales volumes grow.

We expect our modest level of debt and limited near-term capital needs will enable us to maintain a level of liquidity that ensures financial flexibility, giving us the ability to pursue strategic growth opportunities, withstand potential future economic downturns and optimize our cost of capital. We intend to meet our liquidity needs through operating cash flow, the disposition of excess undeveloped land and excess built luxury inventory, our revolving credit facilities and continued access to the asset-backed security term financing market. See Footnote No. 14, “Subsequent Event,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Focus on our owners, guests and associates

We are in the business of providing high-quality vacation experiences to our owners and guests around the world. We intend to maintain and improve their satisfaction with our products and services, particularly since our owners and guests are our most cost-effective sales channels. We intend to continue to sell our products through these very effective channels and believe that maintaining a high level of engagement across all of our customer groups is key to our success.

Engaging our associates in the success of our business continues to be one of our long-term core strategies. We understand the connection between the engagement of our associates and the satisfaction and engagement of our owners and guests. At the heart of Marriott International’s culture is the belief that if a company takes care of its associates, they will take care of the company’s guests and the guests will return again and again. This belief will continue to be at the core of our strategy.

Opportunistically dispose of excess assets and selectively pursue “asset light” deal structures

We intend to dispose of certain excess assets over the next few years and deploy the capital from these sales more effectively. The majority of these dispositions consist of undeveloped land holdings. We expect these assets will be marketed and sold as the real estate markets in the various locations improve. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

While we do not need to develop new resorts at this time, we intend to selectively pursue external growth opportunities by targeting high-quality inventory sources that allow us to add desirable new locations to our system as well as new sales locations through transactions that do not involve or limit our capital investment. These “asset light” deals could be structured as turn-key developments with third-party partners, purchases of constructed inventory just prior to sale, or fee-for-service arrangements.

Selectively pursue compelling new business opportunities

As an independent company, we are positioned to explore new business opportunities, such as development of our exchange activities, new management affiliations and select on-site ancillary businesses, that we may not have previously pursued as part of Marriott International. We intend to selectively pursue these types of opportunities with a focus on driving recurring streams of revenue and profit. Prior to entering into any new business, we will evaluate its strategic fit and assess whether it is complementary to our current business, has strong expected financial returns and leverages our existing competencies.

Segments

Our operations are grouped into four business segments: North America, Luxury, Europe and Asia Pacific. The "Corporate and Other" information described below includes activities that do not collectively comprise a separate reportable segment.

The table below shows our revenue for the first half of 2011 for each of our segments and each of our revenue sources (dollars in millions).

Revenue Source	North America	Luxury	Europe	Asia Pacific	Total
Vacation ownership sales	$ 234	$ 9	$ 22	$ 30	$295
Resort management and other services	82	12	13	1	108
Financing	73	3	2	2	80
Rental	82	2	7	4	95
Other	14	1	—	—	15
Cost reimbursements	118	23	12	5	158
	$ 603	$ 50	$ 56	$ 42	$751

Financial information by segment and geographic area for 2010, 2009 and 2008 appears in Footnote No. 20, "Business Segments," of the Notes to our annual Combined Financial Statements.

The following sections contain tables showing our vacation ownership and residential properties in each of our segments. We generally own the unsold vacation ownership inventory as either a deeded beneficial interest in a real estate land trust, a deeded interest at a specific resort, or a right to use interest in real estate owned or leased by a trust or other property owning or leasing vehicle (these forms of ownership are described in more detail in "Business—Our Products"), except as otherwise indicated in the tables that follow. With respect to inventory that has not yet been converted into one of these forms of vacation ownership, we generally hold a fee interest in the underlying real estate rights to the land parcel, building or units corresponding to such inventory. Further, we also own or lease other property at these resorts, including golf courses, fitness, spa and sports facilities, food and beverage outlets, resort lobbies and other common area assets. See Footnote No. 10, "Contingencies and Commitments," of the Notes to our annual Combined Financial Statement for more information on our golf course land leases and other operating leases. We anticipate that our ownership and leasehold interests in these properties will be pledged as collateral for our planned loan facilities.

North America Segment

In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.

As of June 17, 2011, we had 46 resorts, 10,836 vacation ownership villas ("units") and nearly 367,000 owners in our North America business. The following table shows the vacation ownership and residential properties in our North America segment as of June 17, 2011:

North America Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
Aruba Ocean Club	Island / Beach	Aruba	VO	218	—
Aruba Surf Club	Island / Beach	Aruba	VO	450	—
Barony Beach Club	Beach	Hilton Head, SC	VO	255	—
BeachPlace Towers	Beach	Fort Lauderdale, FL	VO	206	—
Canyon Villas at Desert Ridge	Golf / Desert	Phoenix, AZ	VO	213	39
Crystal Shores on Marco Island	Island / Beach	Marco Island, FL	VO	67	—
Custom House	Urban	Boston, MA	VO	84	—
Cypress Harbour	Entertainment	Orlando, FL	VO	510	—
Desert Springs Villas	Golf / Desert	Palm Desert, CA	VO	638	—
Fairway Villas at Seaview	Golf	Absecon, NJ	VO	180	90
Frenchman's Cove	Island / Beach	St. Thomas, USVI	VO	155	66
Grand Chateau	Entertainment	Las Vegas, NV	VO	448	447
Grand Residences by Marriott at Bay Point	Golf	Panama City, FL	Residential	65	—
Grande Ocean	Beach	Hilton Head, SC	VO	290	—
Grande Vista	Entertainment	Orlando, FL	VO	900	—
Harbour Club	Beach	Hilton Head, SC	VO	40	—
Harbour Lake	Entertainment	Orlando, FL	VO	312	588
Harbour Point/Sunset Pointe	Beach	Hilton Head, SC	VO	111	—
Heritage Club	Golf	Hilton Head, SC	VO	30	—
Imperial Palm Villas	Entertainment	Orlando, FL	VO	46	—
Kauai Beach Club	Island / Beach	Kauai, HI	VO	232	—
Kauai Lagoons:					
Grand Residences by Marriott	Island / Beach	Kauai, HI	Residential	3	—
Kalanipu'u	Island / Beach	Kauai, HI	VO	46	26
Ko Olina Beach Club	Island / Beach	Oahu, HI	VO	428	322
Lakeshore Reserve at Grande Lakes	Entertainment	Orlando, FL	VO	95	245
Legends Edge at Bay Point	Golf	Panama City, FL	VO	83	—
Manor Club at Ford's Colony	Entertainment	Williamsburg, VA	VO	200	—
Marriott Grand Residence Club, Lake Tahoe	Mountain / Ski	Lake Tahoe, CA	VO	199	—
Maui Ocean Club	Island / Beach	Maui, HI	VO	459	—
Monarch at Sea Pines	Beach	Hilton Head, SC	VO	122	—
Mountain Valley Lodge	Mountain / Ski	Breckenridge, CO	VO	78	—
MountainSide	Mountain / Ski	Park City, UT	VO	182	—
Newport Coast Villas	Beach	Newport Beach, CA	VO	700	—
Ocean Pointe	Beach	Palm Beach Shores, FL	VO	341	—
Ocean Watch Villas at Grand Dunes	Beach	Myrtle Beach, SC	VO	374	—
Oceana Palms	Beach	Singer Island, FL	VO	91	78
Royal Palms	Entertainment	Orlando, FL	VO	123	—
Sabal Palms	Entertainment	Orlando, FL	VO	80	—
Shadow Ridge	Golf / Desert	Palm Desert, CA	VO	500	484
St. Kitts Beach Club	Island / Beach	West Indies	VO	88	—
Streamside	Mountain / Ski	Vail, CO	VO	96	—
Summit Watch	Mountain / Ski	Park City, UT	VO	135	—
Surf Watch	Beach	Hilton Head, SC	VO	195	—
Timber Lodge	Mountain / Ski	Lake Tahoe, CA	VO	264	—
Villas at Doral	Golf	Miami, FL	VO	141	—
Waiohai Beach Club	Island / Beach	Kauai, HI	VO	231	—
Willow Ridge Lodge	Entertainment	Branson, MO	VO	132	282
Total North America Segment				**10,836**	**2,693**
Units Available for Sale[4]				**745**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.

(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Luxury Segment

In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destination Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand. As of June 17, 2011, we had 10 locations, 711 residence villas and homes and nearly 3,200 owners in our Luxury business. The following table shows the vacation ownership and residential properties in our Luxury segment as of June 17, 2011:

Luxury Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
The Abaco Club on Winding Bay, A Ritz-Carlton Managed Club					
Vacation Ownership	Island / Beach	Bahamas	VO	12	4
Residential	Island / Beach	Bahamas	Residential	32	—
The Ritz-Carlton Golf Club and Residences, Jupiter					
Vacation Ownership	Golf	Jupiter, FL	VO	50	—
Residential	Golf	Jupiter, FL	Residential	81	—
The Ritz-Carlton Club and Residences, Kapalua Bay[4]					
Vacation Ownership	Island / Beach	Maui, HI	VO	62	—
Residential	Island / Beach	Maui, HI	Residential	84	—
The Ritz-Carlton Club and Residences, San Francisco					
Vacation Ownership	Urban	San Francisco, CA	VO	25	19
Residential	Urban	San Francisco, CA	Residential	57	—
The Ritz-Carlton Club, Aspen Highlands	Mountain / Ski	Aspen, CO	VO	73	—
The Ritz-Carlton Club, Bachelor Gulch	Mountain / Ski	Bachelor Gulch, CO	VO	54	—
The Ritz-Carlton Club, Kauai Lagoons	Island / Beach	Kauai, HI	VO	3	—
The Ritz-Carlton Club, Lake Tahoe	Mountain / Ski	Lake Tahoe, CA	VO	28	—
The Ritz-Carlton Club, St. Thomas	Beach	St. Thomas, USVI	VO	105	—
The Ritz-Carlton Club, Vail	Mountain / Ski	Vail, CO	VO	45	—
Total Luxury Segment				**711**	**23**
Units Available for Sale[5]				**118**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) Joint venture project. Although we expect to receive commissions from the sale of the Kapalua Bay vacation ownership and residential products under a sales and marketing arrangement with the joint venture, we do not directly own such vacation ownership and residential products and will not receive proceeds directly from such sales. Accordingly, we have omitted these products from the total number of "Units Available for Sale."
(5) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Given the continued weakness in the economy, particularly in the luxury real estate market, we have significantly scaled back our development of Luxury segment vacation ownership products. We do not have any Luxury segment projects under construction nor do we have any current plans for new luxury development. While we will continue to sell existing Luxury segment vacation ownership products, we also expect to evaluate opportunities for bulk sales of finished inventory and disposition of undeveloped land.

Europe Segment

In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe. As of June 17, 2011, we had 919 villas and nearly 29,200 owners in our European business. The following table shows the vacation ownership properties in our Europe segment as of June 17, 2011:

Europe Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
47 Park Street—Grand Residences by Marriott	Urban	London, UK	VO	49	—
Club Son Antem	Island / Golf	Mallorca, Spain	VO	224	—
Marbella Beach Resort	Beach	Marbella, Spain	VO	288	—
Playa Andaluza	Beach	Estepona, Spain	VO	173	—
Village d'Ile-de-France	Entertainment	Paris, France	VO	185	—
Total Europe Segment				**919**	**—**
Units Available for Sale[4]				**118**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

We are currently focusing on selling our existing products and managing our existing resorts in the Europe segment. We do not have any current plans for new development in this segment.

Asia Pacific Segment

Our Asia Pacific segment includes the results of operations of Marriott Vacation Club, Asia Pacific, a right-to-use points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market. We have sales locations in Japan, Hong Kong, Singapore and Thailand. Owners of our Asia Pacific Club points have access to resorts in Phuket and Bangkok, Thailand; Hawaii; and Las Vegas; as well as exchange opportunities with the rest of the Marriott Vacations Worldwide system and through Interval International. Through June 17, 2011, approximately 28 percent of our sales to date in Asia Pacific have come from owner referrals or the purchase of additional points by existing owners. As of June 17, 2011, we had 325 villas and over 12,100 owners in our Asia Pacific Club. The following table shows the vacation ownership properties in our Asia Pacific segment as of June 17, 2011:

Asia Pacific Segment Properties

Property Name[1]	Experience	Location	Vacation Ownership (VO) or Residential	Units Built[2]	Additional Planned Units[3]
Mai Khao Beach Resort	Beach	Phuket, Thailand	VO	126	—
Phuket Beach Club	Beach	Phuket, Thailand	VO	144	—
The Empire Place	Urban	Bangkok, Thailand	VO	55	—
Total Asia Pacific Segment				**325**	**—**
Units Available for Sale[4]				**55**	

(1) A property is counted as a separate property to the extent it does not share common areas (*e.g.*, check-in facilities, pools, etc.) with another property.
(2) "Units Built" represents units with a Certificate of Occupancy.
(3) "Additional Planned Units" represents the total additional units under construction or that we expect to build.
(4) To be sold as vacation ownership interests; includes units that we reacquire mainly through the foreclosure process.

Corporate and Other

"Corporate and Other" includes financial items not specifically allocable to an individual segment, such as gains on notes sold and accretion of retained interests (prior to the adoption of Accounting Standards Update No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*," on January 2, 2010, the first day of our 2010 fiscal year); financing expenses relating to our lending operations; non-capitalizable development costs supporting overall company growth; company-wide general, administrative and other expenses; interest expense; and an impairment charge recorded in connection with a write-down of internally developed software in 2009.

Intellectual Property

We manage and sell properties under the Marriott Vacation Club, Grand Residences by Marriott, Ritz-Carlton Destination Club and Ritz-Carlton Residences brands. After the spin-off, we will manage and sell properties under these brands under license agreements we will enter into with Marriott International and Ritz-Carlton. See "Certain Relationships and Related Party Transactions—Agreements with Marriott International Related to the Spin-Off—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property" for further information. The foregoing segment descriptions specify the brands that are used by each of our segments. We operate in a highly competitive industry and our brand names, trademarks, service marks, trade names and logos are very important to the marketing and sales of our products and services. We believe that our licensed brand names and other intellectual property have come to represent the highest standards of quality, caring, service and value to our customers and the traveling public. We register and protect our intellectual property where we deem appropriate and otherwise seek to protect against its unauthorized use.

Seasonality

In general, the vacation ownership business is modestly seasonal, with stronger revenue generation during traditional vacation periods, including summer months and major holidays. Our residential business is generally not subject to seasonal fluctuations; rather, the sales pace of our residential products typically depends on the underlying residential real estate environment in the applicable geographic market.

Competition

The vacation ownership industry is highly fragmented, with competitors ranging from small vacation ownership companies to large branded hotel companies that operate vacation ownership businesses. In North America and the Caribbean, we typically compete with companies that sell upscale tier vacation ownership products under a lodging or entertainment brand umbrella, such as Starwood Vacation Ownership, Hilton Grand Vacations Club, Hyatt Vacation Club, and Disney Vacation Club, as well as numerous regional vacation ownership operators. Our luxury vacation ownership products compete with vacation ownership products offered by Four Seasons, Exclusive Resorts and several other small independent companies. In addition, the vacation ownership industry competes generally with the other vacation rental options (*e.g.*, hotels, resorts, cruises and condominium rentals) offered by the lodging industry.

Outside North America and the Caribbean, we operate in two primary regions, Europe and Asia Pacific. In both regions, we are one of the largest lodging-branded vacation ownership companies operating in the upscale tier, with regional operators dominating the competitive landscape. Where possible, our vacation ownership

properties in these regions are co-located with Marriott International branded hotels. In Europe, our owner base is derived primarily from North American, European and Middle Eastern customers. In Asia Pacific, our owner base is derived primarily from the Asia Pacific region and secondarily from the North America region.

Competition in the vacation ownership business is based primarily on the quality, number and location of resorts, the quality and capability of the related property management program, the reputation of the operator's brand, the pricing of product offerings and the availability of program benefits, such as exchange programs. We believe that our focus on offering distinctive vacation experiences, combined with our financial strength, well-established and diverse market presence, strong brands, expertise and well-managed and maintained properties, will enable us to remain competitive.

Regulation

Our business is heavily regulated. We are subject to a wide variety of complex international, national, federal, state and local laws, regulations and policies in jurisdictions around the world. These laws, regulations and policies primarily affect four areas of our business: real estate development activities, marketing and sales activities, lending activities, and resort management activities.

Real Estate Development Regulation

Our real estate development activities are regulated under a number of different timeshare, condominium and land sales disclosure statutes in many jurisdictions. We are generally subject to laws and regulations typically applicable to real estate development, subdivision, and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance and taxation. In the United States, these include the Fair Housing Act and the Americans with Disabilities Act. In addition, we are subject to laws in some jurisdictions that impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer.

Marketing and Sales Regulation

Our marketing and sales activities are closely regulated. In addition to regulations contained in laws enacted specifically for the vacation ownership and land sales industries, a wide variety of laws govern our marketing and sales activities, including fair housing statutes, the Federal Interstate Land Sales Full Disclosure Act, U.S. Federal Trade Commission and state "Little FTC Act" regulations regulating unfair and deceptive trade practices and unfair competition, state attorney general regulations, anti-fraud laws, prize, gift and sweepstakes laws, real estate and other licensing laws and regulations, telemarketing laws, home solicitation sales laws, tour operator laws, lodging certificate and seller of travel laws, securities laws, consumer privacy laws and other consumer protection laws.

Many jurisdictions require that we file detailed registration or offering statements with regulatory authorities disclosing certain information regarding the vacation ownership interests and other real estate interests we market and sell, such as information concerning the interests being offered, the project, resort or program to which the interests relate, applicable condominium or vacation ownership plans, evidence of title, details regarding our business, the purchaser's rights and obligations with respect to such interests, and a description of the manner in which we intend to offer and advertise such interests. We must obtain the approval of numerous governmental authorities for our marketing and sales activities. Changes in circumstances or applicable law may necessitate the application for or modification of existing approvals. Currently, we are qualified to market and sell vacation ownership products in all 50 states and the District of Columbia in the United States and numerous countries in North and South America, the Caribbean, Europe, Asia and the Middle East.

Laws in many jurisdictions in which we sell vacation ownership interests grant the purchaser of a vacation ownership interest the right to cancel a purchase contract during a specified rescission period following the later of the date the contract was signed or the date the purchaser received the last of the documents required to be provided by us.

In recent years, regulators in many jurisdictions have increased regulations and enforcement actions related to telemarketing operations, including requiring adherence to "do not call" legislation. These measures have significantly increased the costs associated with telemarketing. While we continue to be subject to telemarketing risks and potential liability, we believe that our exposure to adverse effects from telemarketing legislation and enforcement is mitigated in some instances by the use of "permission marketing," under which we obtain the permission of prospective purchasers to contact them in the future. We have implemented procedures that we believe will help reduce the possibility that we contact individuals who have requested to be placed on federal or state "do not call" lists.

Lending Regulation

Our lending activities are subject to a number of laws and regulations. In the United States, these include the Real Estate Settlement Procedures Act and Regulation X, the Truth In Lending Act and Regulation Z, the Federal Trade Commission Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Foreign Investment In Real Property Tax Act, the Fair Housing Act, the Fair Debt Collection Practices Act, the Electronic Funds Transfer Act and Regulation E, the Home Mortgage Disclosure Act and Regulation C, the Unfair or Deceptive Acts or Practices regulations and Regulation AA, the USA PATRIOT Act, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act. Our lending activities are also subject to the laws and regulations of other jurisdictions, including, among others, laws and regulations related to consumer loans, retail installment contracts, mortgage lending, fair debt collection practices, consumer collection practices, mortgage disclosure, lender licenses and money laundering.

Resort Management Regulation

Our resort management activities are subject to laws and regulations regarding community association management, public lodging, labor, employment, health care, health and safety, accessibility, discrimination, immigration, gaming, and the environment (including climate change), as well as regulations applicable under the U.S. Treasury's Office of Foreign Asset Control and the U.S. Foreign Corrupt Practices Act (and the foreign equivalents of such regulation in other jurisdictions).

Environmental Compliance and Awareness

The properties we manage or develop are subject to national, state and local laws and regulations that govern the discharge of materials into the environment or otherwise relate to protecting the environment. These laws and regulations include requirements that address health and safety; the use, management and disposal of hazardous substances and wastes; and emission or discharge of wastes or other materials. We believe that our management and development of properties comply, in all material respects, with environmental laws and regulations. Our compliance with such provisions also has not had a material impact on our capital expenditures, earnings or competitive position, nor do we anticipate that such compliance will have a material impact in the future.

We take our commitment to protecting the environment seriously. We have collaborated with Audubon International to further the "greening" of our resorts in our North America segment through the Audubon Green Leaf Eco-Rating Program for Hotels. The Audubon partnership is just one of several programs incorporated into our green initiatives. We have more than 20 years of energy conservation experience that we have put to use in implementing Marriott's Spirit To Preserve® environmental strategy across all of our segments. This strategy includes further reducing energy and water consumption; expanding our portfolio of green resorts, including LEED® (Leadership in Energy & Environmental Design) certification; educating and inspiring associates and guests to support the environment; and embracing innovation.

Employees

As of June 17, 2011, we had approximately 9,900 associates with an average length of service of 6.7 years, approximately 0.5 percent of whom were represented by labor unions. We believe our relations with our associates are very good.

Properties

As of June 17, 2011, we managed 64 vacation ownership or residential properties in the United States and eight other countries and territories. These vacation ownership and residential properties are described above in the tables appearing under the caption "—Segments." We own all unsold inventory at these properties. We also own, manage or lease golf courses, fitness, spa and sports facilities, undeveloped land and other common area assets at our resorts, including resort lobbies and food and beverage outlets.

We own or lease our regional offices and sales centers, both in the United States and internationally. Our corporate headquarters in Orlando, Florida consists of approximately 190,000 square feet of leased space in two buildings, under a lease expiring in December 2013. We also own an office building in Lakeland, Florida consisting of approximately 125,000 square feet.

Legal Proceedings

From time to time, we are subject to legal proceedings and claims in the ordinary course of business, including adjustments proposed during governmental examinations of the various tax returns we file. While management presently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, cash flows, or overall trends in results of operations, legal proceedings are subject to inherent uncertainties, and unfavorable rulings or outcomes could occur that have individually or in aggregate, a material adverse effect on our business, financial condition or operating results.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with our audited and unaudited historical combined financial statements and accompanying notes that we have included elsewhere in this information statement as well as the discussion in the section of this information statement entitled "Business." This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on our current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those we discuss in the sections of this information statement entitled "Risk Factors" and "Special Note About Forward-Looking Statements."

Our combined financial statements, which we discuss below, reflect our historical financial condition, results of operations and cash flows. The financial information discussed below and included in this information statement, however, may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been operated as a separate, independent entity during the periods presented, or what our financial condition, results of operations and cash flows may be in the future.

Business Overview

We are the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand. Ritz-Carlton generally provides on-site management for Ritz-Carlton branded properties. See the section of this information statement entitled "Business—Segments" for further details of our individual properties by segment.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories. We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases of vacation ownership products; and renting vacation ownership inventory.

In 2010 and through the first half of 2011, despite a continued weak economic environment, we:

- Successfully launched our new points-based vacation ownership program, MVCD, in North America and the Caribbean, offering greater flexibility, further personalization and more experience opportunities for our owners. As of the end of the first half of 2011, nearly 75,000 of our weeks-based owners have enrolled in this new program, representing over 140,000 weeks.
- Generated $1,584 million of total revenues in 2010, including $635 million from the sale of vacation ownership products, resulting in $67 million of net income and $383 million of cash flows from operating activities. We generated $751 million of total revenues through the first half of 2011, including $295 million from the sale of vacation ownership products, resulting in $35 million of net income and $152 million of cash flows from operating activities.
- Securitized nearly $230 million of notes receivable in 2010 providing $215 million of net cash proceeds to the company. The 2010 securitization reflected improved economic terms over the previous securitization completed in the 2009 fourth quarter. The 2010 securitization reflected an all-in interest rate of 3.64 percent, compared to 4.81 percent for the securitization completed in the 2009 fourth quarter. In addition, we were able to achieve an advance rate of 95 percent of the total note pool, a nearly 12 percentage point improvement over the previous securitization.

- Generated $42 million of cash proceeds from the disposal of an operating hotel in 2010 that we originally acquired for conversion into vacation ownership products for our Asia Pacific segment.

We own certain parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed development with our sales pace and to pursue future "asset light" development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as "excess." Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, "Subsequent Events," of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

Below is a summary of significant accounting policies used in our business that will be used in describing our results of operations.

Sales of Vacation Ownership Products

We recognize revenues from our sales of vacation ownership products when all of the following conditions exist:

- A binding sales contract has been executed;
- The statutory rescission period has expired;
- The receivable is deemed collectible;
- The criteria for percentage of completion accounting are met; and
- The remainder of our obligations are substantially completed.

Sales of vacation ownership products may be made for cash or we may provide financing. For sales where we provide financing, we defer revenue recognition until we receive a minimum downpayment equal to ten percent of the purchase price plus the fair value of certain sales incentives provided to the purchaser. These sales incentives have typically included Marriott Rewards Points and are only awarded if the sale is closed.

When construction of a vacation ownership product purchased is not complete, we recognize revenues using the percentage-of-completion ("POC") method of accounting. Under the POC method, sales may only be recognized when the preliminary construction phase is complete and a minimum of 10 percent of expected sales has been achieved. The completion percentage is determined by the proportion of life-to-date real estate inventory costs incurred to total estimated costs, with that percentage being applied to life-to-date revenues to determine the amount of revenue to be recognized. The remaining revenues and related costs of sales, including commissions and direct expenses, are deferred and recognized in subsequent periods as the construction is completed in the same proportion as the costs incurred compared to the total expected costs for completion. Our points-based ownership programs generally require that we only sell completed inventory and, given that we

expect most of our sales to be completed under the points-based programs going forward, we do not expect the POC method of accounting to result in a significant deferral of revenues in the future. As of year-end 2010, we did not have any deferred revenues related to projects that were not completed.

As a result of the downpayment requirements and the POC method of accounting, we often defer revenues associated with the sale of vacation ownership products from the date of the purchase agreement to a future period. When comparing results year-over-year, this deferral frequently generates significant variances, which we categorize as the impact of revenue reportability.

Finally, as more fully described in the "Financing" section below, we record an estimate of expected uncollectibility on all notes receivable (also known as a notes receivable reserve) from vacation ownership purchases as a reduction of revenues from the sale of vacation ownership products at the time we recognize revenues from a sale.

We report, on a supplemental basis, contract sales for each of our four segments. Contract sales represent the total amount of vacation ownership product sales from purchase agreements signed during the period where we have received a downpayment of at least 10 percent of the contract price, reduced by actual rescissions during the period. Contract sales differ from revenues from the sale of vacation ownership products that we report in our Combined Statements of Operations due to the requirements for revenue recognition described above. We consider contract sales to be an important operating measure because it reflects the pace of sales in our business.

In 2008, 2009 and 2010, we established cancellation allowances for previously reported contract sales in anticipation that a portion of these contract sales would not be realized due to contract cancellations prior to closing. These cancellation allowances related mainly to our Luxury segment where we were selling vacation ownership products well in advance of completion of construction. Given the significant amount of time between the date of the purchase agreement and ultimate closing of the sale for these projects, as well as the significant weakness in the overall economic environment and, in particular, the luxury real estate market during 2008, 2009 and 2010, many customers decided not to complete their purchases. As we do not have any luxury products under construction, we do not anticipate having significant additional cancellation allowances in the future.

Cost of vacation ownership products includes costs to develop and construct the project (also known as real estate inventory costs) as well as other non-capitalizable costs associated with the overall project development process. For each project, we expense real estate inventory costs in the same proportion as the revenue recognized. Consistent with the applicable accounting guidance, to the extent there is a change in the estimated sales revenues or real estate inventory costs for the project, a non-cash adjustment is recorded in our Combined Statements of Operations to true-up revenues and costs in that period to those that would have been recorded historically if the revised estimates had been used. These true-ups will have a positive or negative impact on our Combined Statements of Operations.

Throughout this information statement, we refer to revenues from the sale of vacation ownership products less vacation ownership product costs and marketing and sales costs as revenues from the sale of vacation ownership products, net of expenses.

Resort Management and Other Services

Our resort management and other services revenues includes revenues we earn for managing our resorts, providing ancillary offerings including food and beverage, retail, and golf and spa offerings, and for providing other services to our guests.

We provide day-to-day-management services, including housekeeping services, operation of a reservation system, maintenance, and certain accounting and administrative services for property owners' associations. We receive compensation for such management services which is generally based on either a percentage of total costs to operate the resorts or a fixed fee arrangement. We earn these fees regardless of usage or occupancy. With

the launch of the MVCD program in mid-2010, we also receive additional fees for services we provide to our property owners' associations and certain annual and transaction based fees charged to owners and other third parties for services.

Resort management and other services expenses include costs to operate the food and beverage and other ancillary operations and overall customer support services, including reservations.

Financing

We offer financing to qualified customers for the purchase of most types of our vacation ownership products. The average FICO score of customers who were U.S. citizens or residents who financed a vacation ownership purchase were as follows:

	Twenty-four Weeks Ended		Fiscal Years		
	June 17, 2011	June 18, 2010	2010	2009	2008
Average FICO score	737	735	732	731	741

The typical financing agreement provides for monthly payments of principal and interest with the principal balance of the loan fully amortizing over the term of the loan, which is generally 10 years. The interest income earned from the financing arrangements is earned on an accrual basis on the principal balance outstanding over the life of the arrangement and is recorded as financing revenues on our Combined Statements of Operations.

Financing revenues include interest income earned on notes receivable as well as fees earned from servicing the existing loan portfolio. Financing expenses include costs in support of the financing, servicing and securitization processes.

In the event of a default, we generally have the right to foreclose on or revoke the vacation ownership interest. We typically return interests that we reacquire through foreclosure or revocation back to developer inventory. As discussed above, we record a notes receivable reserve at the time of sale and classify the reserve as a reduction to revenues from the sales of vacation ownership products in our Combined Statements of Operations. See "Description of Material Indebtedness and Other Financing Arrangements—Warehouse Credit Facility" for a description of the terms of our Warehouse Credit Facility and the related impact of notes receivable defaults on our Warehouse Credit Facility covenants. Historical defaults were as follows:

	Twenty-four Weeks Ended		Fiscal Years		
	June 17, 2011	June 18, 2010	2010	2009	2008
Historical default rates	2.6%	2.9%	5.3%	6.0%	3.8%

On January 2, 2010, the first day of our 2010 fiscal year, we adopted Accounting Standards Update ("ASU") No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17" or the new "Consolidation Standard"). We use certain special purpose entities to securitize notes receivable originated with the sale of vacation ownership products, which prior to our adoption of the new Consolidation Standard were treated as off-balance sheet entities. We retain the servicing rights and varying subordinated interests ("residual interests") in the securitized notes receivable. Pursuant to GAAP in effect prior to 2010, we did not consolidate these special purpose entities in our Combined Financial Statements because the notes receivable securitization transactions were executed through qualified special purpose entities and qualified as sales of financial assets. As a result of adopting the new Consolidation

Standard on the first day of 2010, we consolidated 13 existing qualifying special purpose entities associated with past notes receivable securitization transactions, and we recorded a one-time non-cash after-tax reduction to shareholders' equity of $141 million ($238 million pretax) in the 2010 first quarter, representing the cumulative effect of a change in accounting principle.

The following table highlights some of the key changes to our Combined Balance Sheets and Combined Statement of Operations resulting from our adoption of the new Consolidation Standard.

	After the January 2, 2010 adoption of the new Consolidation Standard	Prior to the January 2, 2010 adoption of the new Consolidation Standard
Gains on securitization of notes receivable	Not recorded	Recorded in our Combined Statements of Operations
Securitized notes receivable (Balance Sheet)	Remain on our Combined Balance Sheets	Removed from our Combined Balance Sheets
Retained interest in securitized notes receivable (Balance Sheet)	Not recorded	Recorded on our Combined Balance Sheets
Accretion of retained interests	Not recorded	Recorded in our Combined Statements of Operations
Interest income on securitized notes	Recorded in our Combined Statements of Operations	Not recorded
Reversal of the notes receivable reserve upon securitization	Not recorded	Recorded in our Combined Statements of Operations
Debt issued upon securitization of notes receivable	Recorded on our Combined Balance Sheets	Not recorded

See Footnote No. 5, "Fair Value Measurements," in the Notes to our annual Combined Financial Statements for further information on the valuation of our retained interests in securitized notes receivable prior to adoption of the Consolidation Standard.

Rental

We operate a rental business to provide owner flexibility and to help mitigate carrying costs associated with our inventory.

We obtain rental inventory from:

- Unsold inventory; and
- Inventory we control because owners have elected various usage options.

Rental revenues are the revenues we earn from renting this inventory. Rental expenses include:

- Maintenance fees on unsold inventory;
- Costs to provide alternate usage rights, including Marriott Rewards Points, for owners that elect to exchange their inventory;
- Subsidy payments to property owner associations at resorts that are in the early phases of construction where maintenance fees collected from the owners are not sufficient to support operating costs of the resort; and
- Marketing costs and direct operating and related expenses in connection with the rental business (*e.g.*, housekeeping, credit card expenses and reservation services).

Rental metrics, including the average daily transient rate or the number of transient keys rented, may not be comparable between periods given fluctuation in available occupancy by location, unit size (*e.g.*, two bedroom, one bedroom or studio unit), and owner use and exchange behavior. Further, as our ability to rent certain inventory in our Luxury and Asia Pacific segments is often limited on a site-by-site basis, rental operations may not generate adequate rental revenues to cover associated costs. Our vacation units are either full villas or "lock-off" villas. Lock-off villas are units that can be separated into a master unit and a guest room. Full villas are "non-lock-off" villas because they cannot be separated. A "key" night is the lowest increment for reporting occupancy statistics based upon the mix of non-lock-off and lock-off villas. Lock-off villas represent two keys and non-lock-off villas represent one key. "Transient keys" represent the blended mix of inventory available for rent and includes all of the combined inventory configurations available in our resort system.

Other

We also record other revenues which are primarily fees received from our external exchange company, fees received from the settlement process for sales of vacation ownership products and tour deposit forfeitures.

Cost Reimbursements

Cost reimbursements revenue includes direct and indirect costs that property owners' associations and joint ventures we participate in reimburse to us. In accordance with the accounting guidance for "gross versus net" presentation, we record these revenues on a gross basis. We recognize cost reimbursements revenue when we incur the related reimbursable costs. These costs primarily consist of payroll and payroll related costs for management of the property owners' associations and other services we provide where we are the employer, and for development and marketing and sales services that joint ventures contract with us to perform. Cost reimbursements are based upon actual expenses with no added margin.

Other Items

We measure operating performance using the following key metrics:

- Contract sales from the sale of vacation ownership products;
- Marketing and sales costs as a percentage of revenues from the sale of vacation ownership products; and
- With the launch of the MVCD program, volume per guest ("VPG"). We calculate VPG by dividing contract sales, excluding telesales and other sales that are not attributed to a tour at a sales location, by the number of sales tours. We believe that this operating metric is valuable in evaluating the effectiveness of the sales process as it combines the impact of average contract price with the number of touring guests that make a purchase.

Combined Results

The following discussion presents an analysis of results of our operations for the twenty-four weeks ended June 17, 2011 (first half of 2011), compared to the twenty-four weeks ended June 18, 2010 (first half of 2010), as well as 2010, 2009 and 2008.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Revenues					
Sales of vacation ownership products, net	$ 295	$ 298	$ 635	$ 743	$1,104
Resort management and other services	108	102	227	213	221
Financing[1]	80	90	188	119	82
Rental	95	89	187	175	178
Other	15	15	29	34	27
Cost reimbursements	158	151	318	312	304
Total revenues	751	745	1,584	1,596	1,916
Expenses					
Costs of vacation ownership products	116	121	247	314	430
Marketing and sales	154	160	344	413	604
Resort management and other services	91	88	196	170	192
Financing	13	12	26	21	32
Rental	94	92	194	199	170
Other	4	7	18	27	24
General and administrative	38	36	82	88	99
Interest[1]	22	28	56	—	—
Restructuring	—	—	—	44	19
Impairment	—	(5)	15	623	44
Cost reimbursements	158	151	318	312	304
Total expenses	690	690	1,496	2,211	1,918
Gains and other income	—	—	21	2	—
Equity in (losses) earnings	—	(7)	(8)	(12)	11
Impairment reversals (charges) on equity investment	—	—	11	(138)	—
Income (loss) before income taxes	61	48	112	(763)	9
(Provision) benefit for income taxes	(26)	(18)	(45)	231	(25)
Net income (loss)	35	30	67	(532)	(16)
Add: Net losses attributable to noncontrolling interests, net of tax	—	—	—	11	25
Net income (loss) attributable to Marriott Vacations Worldwide	$ 35	$ 30	$ 67	$ (521)	$ 9
Contract Sales					
Company-Owned					
Vacation ownership	$ 300	$ 322	$ 680	$ 717	$1,118
Residential products	2	6	9	12	26
Subtotal	302	328	689	729	1,144
Cancellation allowance	1	—	(1)	(8)	(18)
Total company-owned contract sales	303	328	688	721	1,126
Joint Venture					
Vacation ownership	6	7	12	19	15
Residential products	—	4	4	—	32
Subtotal	6	11	16	19	47
Cancellation allowance	—	(14)	(19)	(75)	(97)
Total joint venture contract sales	6	(3)	(3)	(56)	(50)
Total contract sales	$ 309	$ 325	$ 685	$ 665	$1,076

(1) Financing revenues and Interest expense reflect the impact of adopting the new Consolidation Standard in 2010.

Revenues and Expenses

First Half of 2011 Compared to First Half of 2010

Revenues increased by $6 million (1 percent) to $751 million in the first half of 2011 from $745 million in the first half of 2010, reflecting $7 million of higher cost reimbursements, $6 million of higher resort management and other services revenues, and $6 million of higher rental revenues, partially offset by $10 million of lower financing revenues and $3 million of lower sales of vacation ownership products.

Cost reimbursements increased $7 million (5 percent) to $158 million in the first half of 2011 from $151 million in the first half of 2010, reflecting the impact of growth across the system from new resorts and new phases of existing resorts.

Resort management and other services revenues increased $6 million (6 percent) to $108 million in the first half of 2011 from $102 million in the first half of 2010, reflecting $6 million of additional fees earned from the MVCD program, $4 million of higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher management fees (from $27 million to $28 million) resulting from the cumulative increase in the number of vacation ownership products sold, partially offset by $5 million of lower resales commissions.

Rental revenues increased $6 million (7 percent) to $95 million in the first half of 2011 from $89 million in the first half of 2010 due to rental demand mainly at our North America and Europe properties that resulted in a company-wide 3 percent increase in transient keys rented (13,000 additional keys) and a company-wide 5 percent increase in transient rate ($9.93 increase per key). This was partially offset by the loss of rental units in our Asia Pacific segment associated with the disposition in the 2010 fourth quarter of an operating hotel that we originally acquired for conversion into vacation ownership products. Resort occupancy, which includes owner and rental occupancy, declined slightly to 88 percent in the first half of 2011, compared to 89 percent in the first half of 2010.

Financing revenues decreased $10 million (11 percent) to $80 million in the first half of 2011 from $90 million in the first half of 2010 due to a lower outstanding notes receivable balance (reflecting the continued collection of existing notes receivables), partially offset by a slight increase in the number of customers choosing to finance their vacation ownership purchase with us (we refer to the rate at which owners finance with us as “financing propensity”). The average notes receivable balance decreased $170 million to $1,399 million in the first half of 2011 from $1,569 million in the first half of 2010. For the first half of 2011, 40 percent of purchasers financed their vacation ownership purchase with us, compared to more than 39 percent in the first half of 2010.

Revenues from the sale of vacation ownership products declined $3 million (1 percent) to $295 million in the first half of 2011 from $298 million in the first half of 2010, driven by $31 million of lower gross contract sales (before cancellation allowances) and $4 million from lower revenue reportability, partially offset by $26 million of lower notes receivable reserve activity due primarily to higher reserves recorded in the first half of 2010 as a result of higher note receivable default and delinquency activity.

Gross contract sales declined by $31 million (9 percent) to $308 million in the first half of 2011 from $339 million in the first half of 2010, driven by $19 million of lower contract sales in our North America segment and $14 million of lower contract sales in our Luxury segment, reflecting the continued weakness in the luxury real estate market, partially offset by $2 million of higher contract sales in our Asia Pacific segment. Contract sales, net of cancellation allowances, decreased $16 million to $309 million in the first half of 2011 from $325 million in the first half of 2010.

The lower contract sales in the North America segment reflected an increase in the proportion of sales to existing owners at an average purchase price that was generally lower than the average purchase price for new owners. The average price per contract declined 17 percent to $24,100 in the first half of 2011 from $29,114 in the first half of 2010. The increase in existing owner purchases was driven by the launch of the MVCD program in mid-2010 as our sales efforts were focused on educating existing owners about this program. As a result, while

the number of sales contracts executed in the first half of 2011 rose by 22 percent, or over 1,500 contracts, from the first half of 2010, sales to existing owners as a percentage of total sales was 69 percent in the first half of 2011, compared to 49 percent in the first half of 2010. The average price per contract for sales to existing owners was over $7,000 (or 25 percent) lower than the first half of 2010 given the lower minimum purchase price requirement for existing owners under the MVCD program compared to the average price for a week in the first half of 2010. The average price per contract for new owners increased by nearly $700 (or 2 percent) from the first half of 2010.

Total revenues net of total expenses increased $6 million to $61 million in the first half of 2011 from $55 million in the first half of 2010. Results reflected $8 million of higher revenues from the sale of vacation ownership products net of related expenses, $6 million of lower interest expense, $4 million of higher rental revenues net of expenses, $3 million of higher resort management and other services revenues net of expenses, and $3 million of higher other revenues net of expenses. These increases were offset by an unfavorable variance of $5 million related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects, $11 million of lower financing revenues net of expenses on lower interest income, and $2 million of higher general and administrative costs.

Revenues from the sale of vacation ownership products net of expenses increased $8 million to $25 million in the first half of 2011 from $17 million in the first half of 2010. Results reflected $4 million of lower costs associated with a proportionately higher sales mix of lower cost projects, as well as the inclusion in the first half of 2010 of the increase to the notes receivable reserve as a result of higher note receivable default and delinquency activity. These increases were partially offset by lower contract sales.

Interest expense decreased by $6 million to $22 million in the first half of 2011 compared to $28 million in the first half of 2010 due to the repayment of the debt related to the securitized notes receivable.

Rental revenues net of expenses improved $4 million to $1 million in the first half of 2011 from a loss of $3 million in the first half of 2010. Results reflected higher rental revenues, partially offset by a $2 million increase in maintenance fees on unsold inventory ($30 million in the first half of 2011 from $28 million in the first half of 2010) associated with new resort and phase openings.

Resort management and other services revenues net of expenses increased $3 million to $17 million in the first half of 2011 from $14 million in the first half of 2010, reflecting $6 million of additional fees earned from the MVCD program and a $1 million increase in management fees, partially offset by increases in MVCD program operating and technology costs.

Other revenues net of expenses increased $3 million to $11 million in the first half of 2011 from $8 million in the first half of 2010, primarily from a $2 million favorable true-up of the 2010 bonus accrual as a result of final payouts made in the first quarter of 2011.

2010 Compared to 2009

Revenues decreased by $12 million (1 percent), to $1,584 million in 2010 from $1,596 million in 2009, as a result of $108 million of lower revenues from the sale of vacation ownership products and $5 million of lower other revenues, partially offset by $69 million of higher financing revenues, $14 million of higher resort management and other services revenues, $12 million of higher rental revenues, and $6 million of higher cost reimbursements.

Gross contract sales (before cancellation allowances) declined $43 million (6 percent) to $705 million in 2010 from $748 million in 2009, primarily due to $43 million of lower contract sales in our North America segment. Contract sales, net of cancellation allowances, increased $20 million in 2010 to $685 million from $665 million in 2009 driven mainly by a $63 million decrease in cancellation allowances year-over-year.

Revenues from the sale of vacation ownership products declined $108 million (15 percent) to $635 million in 2010 from $743 million in 2009, driven mainly by $43 million of lower gross contract sales, $38 million from lower revenue reportability and $37 million related to the notes receivable reserve activity as discussed below.

The $43 million decline in gross North America contract sales primarily reflected:

- The continued impact of a weakened economy, due in part to the continued weakness in consumer confidence and decreased consumer willingness to spend discretionary income on purchases such as vacation ownership;
- The impact of restructuring efforts that we started in 2008 in response to the weakened economy that resulted in the closing of eight sales locations and one call center where we were no longer selling cost effectively. While those efforts resulted in lower sales volumes in 2010, they contributed to improvement in our total revenues from the sale of vacation ownership products, net of expenses;
- The impact of the 2009 sales promotion launched in celebration of the company's 25th anniversary, which resulted in a significant increase in contract sales in 2009; and
- The impact of a higher proportion of sales made to existing owners that resulted in a 22 percent decline in the overall average price per contract to $21,799 in 2010 from $27,889 in 2009. The increase in existing owner purchases was driven by: (1) sales promotions and (2) the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in 2010 rose by 29 percent, or nearly 4,400 contracts, from 2009, sales to existing owners as a percentage of total sales was 66 percent in 2010, compared to 47 percent in 2009. The average price per contract for sales to existing owners was nearly $8,000 (or 30 percent) lower than 2009 given the impact of discounting and lower minimum purchase requirements for existing owners.

The $37 million of lower revenues relating to the notes receivable reserve activity included a $25 million impact due to the reversal in 2009 of the notes receivable reserve upon the securitization of our notes receivable. As discussed in "Business Overview" above, as a result of the adoption of the new Consolidation Standard on the first day of fiscal year 2010, securitization transactions are no longer treated as sales transactions. Thus, after adoption of the new Consolidation Standard, the secured notes receivable and related reserves remained in our Combined Balance Sheets, and there was no reversal of this related notes receivable reserve. Additionally, the notes receivable reserve charge was $12 million higher in 2010 as a result of higher note receivable default and delinquency activity.

Other revenues decreased $5 million (15 percent) to $29 million in 2010 from $34 million in 2009 due primarily to higher tour deposit forfeitures in 2009.

The $69 million increase (58 percent) in financing revenues to $188 million in 2010 from $119 million in 2009 primarily reflected:

- a $129 million increase in interest income, due to a $139 million increase from the notes receivable we now consolidate as part of our adoption of the new Consolidation Standard, partially offset by a $10 million decrease in interest income related mainly to non-securitized notes receivable, reflecting a lower outstanding balance as discussed below; and
- a $60 million reduction from the elimination of accretion of retained interests in securitized notes receivable and gains on a securitization of notes receivable which were no longer recorded in 2010 after the adoption of the new Consolidation Standard.

The lower non-securitized notes receivable balance reflects the continued collection of existing notes receivable, as well as the impact of lower financing propensity. The reduction in financing propensity was due in part to our elimination of financing incentive programs. The average non-securitized notes receivable balance

decreased $71 million to $451 million in 2010 from $522 million in 2009. For 2010, 40 percent of purchasers financed their vacation ownership purchase with us, compared to 44 percent in 2009 and 67 percent in 2008.

The $12 million (7 percent) increase in rental revenues to $187 million in 2010 from $175 million in 2009 reflected rental demand mainly at our North America properties ($13 million) that resulted in a company-wide 10 percent increase in transient keys rented (78,000 additional keys) and a company-wide 9 percent increase in transient rate ($14.52 increase per key). This was partially offset by a decrease in tour package revenue of $11 million related to lower tour flow, as we reduced reliance on this higher cost marketing channel. Resort occupancy, which includes owner and rental occupancy, remained at 90 percent in both 2010 and 2009.

Resort management and other services revenues increased $14 million (7 percent) to $227 million in 2010 from $213 million in 2009, reflecting $7 million of fees earned from the MVCD program; $4 million of higher ancillary revenues due to stronger demand for food and beverage and golf offerings as well as the impact of full-year operations at various projects and phases that opened during 2009; and a $4 million increase in management fees (from $56 million to $60 million) resulting primarily from the cumulative increase in the number of vacation ownership products sold.

The $6 million (2 percent) increase in cost reimbursements revenue to $318 million in 2010 from $312 million in 2009 reflected the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of continued cost savings initiatives, lower development expenditures after the completion of a joint venture project, and lower marketing and sales efforts incurred under our joint venture arrangements in response to weak business conditions.

Total revenues net of total expenses increased by $703 million to $88 million in 2010 from a loss of $615 million in 2009. The increase reflected a favorable variance of $652 million related to impairment charges and restructuring expenses (see further discussion below), a $64 million increase in financing revenues net of expenses, $28 million of higher revenues from the sale of vacation ownership products net of expenses, $17 million of improvement in rental revenues net of expenses, $6 million of lower general and administrative expenses, and $4 million of higher other revenues net of expenses. Offsetting these improvements were $56 million of higher interest expense, $12 million of lower resort management and other services revenues net of expenses.

The $64 million increase in financing revenues net of expenses to $162 million in 2010 from $98 million in 2009 reflected $129 million of higher interest income, partially offset by $60 million related to the elimination of both the gains from the securitization of notes receivable and accretion of retained interests mainly as a result of adopting the new Consolidation Standard and $5 million of higher financing related expenses.

Revenues from the sale of vacation ownership products net of expenses increased $28 million to $44 million in 2010 from $16 million in 2009. Results reflected lower expenses related to lower sales volumes, lower average inventory costs associated with a proportionately higher sales mix of lower cost products, and a 1.4 percentage point reduction in marketing and selling expenses, as a percentage of related revenues. This improvement reflects the impact of ongoing cost savings initiatives, including the closure of higher cost sales locations and other restructuring efforts. These increases were partially offset by $108 million of lower revenues from the sale of vacation ownership products, a $6 million unfavorable variance for real estate inventory cost true-ups due to revised estimates of project economics, and $6 million from an increase in non-capitalizable development expenses, including property taxes and insurance, due to the decision to delay development of new project phases.

Rental revenues net of expenses improved $17 million to a loss of $7 million in 2010 from a loss of $24 million in 2009. Results reflected $12 million of higher revenues, $12 million of lower Marriott Rewards customer loyalty program costs due to fewer owner exchanges for Marriott Rewards Points, and $4 million of lower operating expenses resulting mainly from cost savings initiatives implemented in 2009. Partially offsetting

these increases was a $9 million increase in maintenance fees on unsold inventory ($68 million in 2010 from $59 million in 2009) and a $2 million increase in subsidy costs, due mainly to new resort and phase openings.

General and administrative expenses decreased $6 million to $82 million in 2010 from $88 million in 2009 due to lower technology related depreciation expense and the full-year impact of cost savings initiatives and other restructuring efforts that resulted in lower finance, human resource, information resources and other costs.

Other revenues net of expenses increased $4 million to $11 million in 2010 from $7 million in 2009 due mainly to a $10 million charge in the prior year related to resolving a tax issue with a state taxing authority, partially offset by the high amount of tour deposit forfeitures in 2009.

Interest expense increased by $56 million from zero in 2009. This increase was driven mainly by the consolidation of $1,121 million of debt associated with previously securitized notes receivable on the first day of fiscal 2010 in conjunction with our adoption of the new Consolidation Standard.

Resort management and other services revenues net of expenses decreased $12 million to $31 million in 2010 from $43 million in 2009, reflecting $12 million of start-up costs associated with the launch of the MVCD program and higher technology costs, partially offset by $14 million of higher revenues.

2009 Compared to 2008

Revenues decreased by $320 million (17 percent) to $1,596 million in 2009 from $1,916 million in 2008 as a result of $361 million of lower revenues from the sale of vacation ownership products, $8 million of lower resort management and other services revenues and $3 million of lower rental revenues. These declines were partially offset by $37 million of higher financing revenues, $8 million of higher cost reimbursements, and $7 million of higher other revenues.

Revenues from the sale of vacation ownership products decreased $361 million (33 percent) to $743 million in 2009, from $1,104 million in 2008, reflecting lower contract sales, partially offset by $27 million of higher revenue reportability year-over-year, and $17 million of lower notes receivable reserve activity. As we reversed notes receivable reserves upon sale of our related notes through securitization under the accounting guidance in 2009 and 2008, 2009 benefited from a higher reversal of the notes receivable reserve into income because higher note sale volumes associated with two note securitization transactions occurred in 2009, compared to only one in 2008.

Gross contract sales (before cancellation allowances) decreased $443 million (37 percent) to $748 million in 2009 from $1,191 million in 2008 due to weak economic conditions as well as the impact of the closure or downsizing of less effective sales centers. Our sales performance, similar to the rest of the vacation ownership industry, reflected the impact that the weakened economy had on consumer confidence and consumer willingness to spend discretionary income on purchases such as vacation ownership, and availability of credit to consumers. Contract sales, net of cancellation allowances, decreased by $411 million to $665 million in 2009 from $1,076 million in 2008.

Resort management and other services revenues decreased $8 million (4 percent) to $213 million in 2009 from $221 million in 2008 due to $11 million of lower commissions on lower resales volumes and $8 million of lower food and beverage, golf and spa, and marketplace revenues from lower customer spending due to the weakened economy, partially offset by the impact of new projects and new phases of existing projects. Offsetting these decreases were $7 million of higher management fee revenues (from $49 million to $56 million) and $2 million of higher customer service revenues, both from the cumulative increase in the number of vacation ownership products sold.

Rental revenues decreased $3 million (2 percent) to $175 million in 2009 from $178 million in 2008, reflecting rental demand mainly in our North America and Europe segments ($13 million) that resulted in a

company-wide 17 percent decrease in transient rate ($36.00 decrease per key), partially offset by an 18 percent increase in transient keys rented (118,000 additional keys) as well as $10 million of higher revenues in our Asia Pacific segment from operating a hotel we acquired to convert into vacation ownership products.

Financing revenues increased $37 million (45 percent) to $119 million in 2009 from $82 million in 2008 primarily due to $21 million of higher note sale gains in 2009 on higher securitized notes receivable volumes and $35 million of higher retained interest accretion (including a decrease in the adjustment to the fair market value of residual interests), partially offset by $18 million of lower interest income on a declining mortgage note receivable portfolio driven in part by our elimination of financing incentive programs. The average notes receivable balance decreased $50 million to $522 million in 2009 from $572 million in 2008. For 2009, 44 percent of vacation ownership sales were financed with us, compared to 67 percent in 2008.

The $8 million (3 percent) increase in cost reimbursements to $312 million in 2009 from $304 million in 2008 reflected the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of cost containment efforts, lower development expenditures due to the completion of construction of one of our joint venture projects, and lower marketing and sales efforts incurred under our joint venture arrangements in response to weak business conditions.

Other revenues increased $7 million (26 percent) to $34 million in 2009 from $27 million in 2008, mainly reflecting $8 million of higher tour deposit forfeitures in 2009 and $4 million of higher revenues from our external exchange company. These increases were partially offset by $6 million of lower settlement revenues on lower contract sales volumes.

Total revenues net of total expenses decreased by $613 million to a loss of $615 million in 2009 from a loss of $2 million in 2008. The change reflected $604 million of higher impairment charges and restructuring expenses in 2009, $54 million of lower revenues from the sale of vacation ownership products net of expenses, and $32 million of lower rental revenues net of expenses. These increases were partially offset by $48 million of higher financing revenues net of expenses, $14 million of higher resort management and other services revenues net of expenses, $11 million of lower general and administrative expenses, and $4 million of higher other revenues net of expenses.

Revenue from the sale of vacation ownership products net of expenses declined $54 million to $16 million in 2009 from $70 million in 2008 due to the impact of $361 million of lower revenues from the sale of vacation ownership products, a nearly 1 percentage point increase in marketing and sales expenses as a percentage of revenues due to decreased contract sales volumes, and an unfavorable variance of $29 million for real estate inventory cost true-ups related to revised estimates of project economics.

Rental revenues net of expenses declined $32 million to a loss of $24 million in 2009 from income of $8 million in 2008, reflecting weaker demand for rental units, $20 million of higher maintenance fees on unsold units related to new projects and new phases of existing projects (to $59 million in 2009 from $39 million in 2008), and $7 million of higher costs due to an increase in owner exchanges for Marriott Rewards Points. In addition, 2008 benefited from an $8 million reduction from a change in estimate in the Marriott Rewards customer loyalty program liability. Offsetting these declines were $7 million of lower subsidy costs.

Financing revenues net of expenses increased $48 million to $98 million in 2009 from $50 million in 2008, reflecting $21 million of higher notes receivable securitization gains, $35 million of higher retained interest accretion, and an $11 million decline in the cost of financing. The lower cost of financing was driven by cost savings initiatives as well as the impact of our elimination of financing incentive programs in light of deteriorating market conditions. These improvements were partially offset by $18 million of lower interest income due to a declining notes receivable portfolio balance.

Resort management and other services revenues net of expenses increased $14 million to $43 million in 2009 from $29 million in 2008, reflecting $7 million of higher management fee revenues net of expenses and $3

million of higher customer service revenues net of expenses, both from the cumulative increase in the number of vacation ownership products sold, as well as $6 million of higher revenues net of expenses from resales activity.

General and administrative expenses decreased $11 million to $88 million in 2009 from $99 million in 2008 largely due to cost savings generated from the restructuring efforts initiated in 2008 that resulted in lower finance, human resources and information resources costs and other savings, as well as lower system-related depreciation expense.

Other revenues net of expenses increased $4 million to $7 million in 2009 from $3 million in 2008, reflecting $8 million of higher tour deposit forfeitures in 2009, partially offset by lower settlement revenue on lower contract volumes.

Impairment Charges

We own parcels of undeveloped land that we originally acquired for vacation ownership development, as well as built Luxury inventory, including unfinished units. Given our strategies to match completed inventory with our sales pace and to pursue future “asset light” development opportunities, we have decided to implement a plan to dispose of certain undeveloped land and built Luxury inventory. As a result, we refer to this land and inventory as “excess.” Subsequent to June 17, 2011, upon assessment of our plan for undeveloped land and built Luxury inventory, including unfinished units, we concluded that 31% of our combined Inventory and Property and equipment held at that date was excess. Based on our current plans, we believe we have identified all excess land and inventory. However, if our future plans change, the planned use of such assets may change. Further, to the extent that real estate market conditions change, our estimates of the fair value of such assets may change.

As discussed in more detail in Footnote No. 14, “Subsequent Events,” of the Notes to our Interim Combined Financial Statements, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs. As a result of adopting this plan, we expect to record a pre-tax non-cash impairment charge of approximately $324 million in our third quarter financial statements to write-down the value of these assets.

First Half of 2010

During the 2010 first half, we reversed a $5 million impairment due to our negotiation of a reduction in a purchase commitment with a third party.

2010

We recorded pretax charges totaling a net $4 million in our Combined Statements of Operations primarily comprised of a $14 million impairment charge for a golf course and related assets that we decided to sell (the amount of this charge was equal to the excess of our carrying cost over estimated fair value) and a $6 million impairment charge associated with our Luxury segment inventory due to continued sluggish sales, partially offset by an $11 million reversal of a previously recorded funding liability and a reversal of $5 million of previously recorded impairment due to our negotiation of a reduction in a purchase commitment with a third party.

We reversed $11 million of the $27 million funding liability we recorded in 2009 related to a Luxury segment vacation ownership joint venture project, based on facts and circumstances surrounding the project, including favorable resolution of certain construction-related legal claims and potential funding of certain costs by one of our joint venture partners.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements.

2009

In response to the difficult business conditions in the vacation ownership and residential real estate development businesses in 2009, we evaluated our entire portfolio for impairment. In order to adjust our business strategy to reflect market conditions at that time, we approved the following actions: (1) for our Luxury segment residential projects, to reduce prices, convert certain proposed projects to other uses, sell certain undeveloped land and not pursue further company-funded residential development projects; (2) to reduce prices for existing Luxury segment vacation ownership products; (3) to continue short-term sales promotions for our North America segment and defer the introduction of new projects and development phases; and (4) for our Europe segment vacation ownership products, to continue promotional pricing and marketing incentives and not pursue further development projects. We designed these plans to stimulate sales, accelerate cash flow and reduce investment spending.

As a result of these decisions, in 2009, we recorded pretax charges in our Combined Statements of Operations totaling $761 million, including $623 million of pretax charges recorded in the Impairment line and $138 million of pretax charges recorded in the Impairment reversals (charges) on equity investment line. The $761 million of pretax impairment charges were non-cash, other than $27 million of charges associated with ongoing mezzanine loan fundings and $21 million of charges for purchase commitments that we expected to fund in 2010.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges,” of the Notes to our annual Combined Financial Statements.

2008

We recorded pretax charges in our Combined Statements of Operations totaling a net $44 million on the Impairment line comprised of a $22 million inventory impairment charge and $22 million of costs associated with the cancellation of certain development projects.

We recorded the $22 million non-cash impairment charge for a vacation ownership and residential real estate project held for development by a Luxury segment joint venture that we consolidate. We recorded a pretax benefit of $12 million on the Net losses attributable to noncontrolling interests, net of tax line on our Combined Statements of Operations representing our joint venture partner’s pretax share of the $22 million impairment charge. As the economy weakened in 2008, our Luxury segment was negatively impacted by soft demand, contract cancellations and tightening in credit markets. The weakened market for jumbo loans particularly impacted demand for our luxury residential products. These were the predominant items we considered in our impairment analysis.

Further, as result of the sharp downturn in the economy, we decided to discontinue certain development projects and phases that required our investment. As a result, we expensed $22 million of previously capitalized costs.

For additional information related to these impairment charges, including how these impairments were determined and the impairment charges grouped by product type and/or geographic location, see Footnote No. 17, “Impairment Charges” of the Notes to our annual Combined Financial Statements. See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

Restructuring Costs and Other Charges

Our business was also negatively affected both domestically and internationally by the downturn in market conditions, particularly the significant deterioration in the credit markets, which resulted in our decision not to complete a notes receivable securitization in the fourth quarter of 2008 (although we did complete a note receivable securitization in the first quarter of 2009). These weak economic conditions resulted in cancelled development projects, reduced contract sales and higher anticipated loan losses. In the 2008 fourth quarter, we implemented certain company-wide cost-saving initiatives at both the corporate and site levels. The various initiatives resulted in aggregate restructuring costs of $19 million in the 2008 fourth quarter. As part of the restructuring we began in 2008 and as a result of the continued deterioration in market conditions, we initiated further cost-saving measures in 2009 that resulted in additional restructuring costs of $44 million in 2009. We completed this restructuring in 2009 and have not incurred additional expenses in connection with these initiatives.

For additional information on the 2008 and 2009 restructuring costs, including the types of restructuring costs incurred in total and by segment, and for the cumulative restructuring costs incurred since inception and a roll forward of the restructuring liability through year-end 2010, please see Footnote No. 16, “Restructuring Costs and Other Charges,” of the Notes to our annual Combined Financial Statements.

As a result of our restructuring efforts, we realized approximately $113 million of annualized cost savings in 2010, which were primarily reflected in our Combined Statements of Operations in marketing and sales and general and administrative expenses.

Gains and Other Income

2010 Compared to 2009

Gains and other income in 2010 of $21 million reflected a gain on the sale of an operating hotel that we originally acquired for conversion into vacation ownership products for our Asia Pacific segment. Gains and other income in 2009 of $2 million reflected a gain in our Luxury segment on the sale of a sales center that was no longer needed.

Equity in (Losses) Earnings

First Half of 2011 Compared to First Half of 2010

The decline in equity in losses to $0 in the first half of 2011 from $7 million in the first half of 2010 mainly reflected the discontinuance of recording equity in losses associated with a Luxury segment joint venture, when our investment in the joint venture, including loans due from the joint venture, reached zero in 2010 prior to 2011.

2010 Compared to 2009

Equity in losses improved $4 million to $8 million in 2010 from $12 million in 2009 due mainly to lower cancellation reserves and improved operating results related to the Luxury segment joint venture as well as the discontinuance of recording equity in losses when our investments in the joint venture, including loans from the joint venture, reached zero in 2010.

2009 Compared to 2008

Equity in (losses) earnings decreased $23 million to equity in losses of $12 million in 2009 from equity in earnings of $11 million in 2008 due to decreased earnings in 2009 for the Luxury segment joint venture associated with lower sales volumes and higher operating and other costs, as well as the impact of cancellation allowances and 2009 impairment charges.

Income Tax

First Half of 2011 Compared to First Half of 2010

Income tax expense increased by $8 million to a tax provision of $26 million in the first half of 2011 compared to $18 million in the first half of 2010. The increase in income tax expense is primarily related to an increase in pretax income in the United States. The increase was offset by a decrease in non-U.S. tax expense for the gain on the sale of property in 2010.

2010 Compared to 2009

Income tax expense increased by $276 million to a tax provision of $45 million in 2010 compared to $231 million tax benefit in 2009. The increase in income tax expense in 2010 is primarily related to an increase in pretax income (2009 pretax income was lower as a result of impairment charges). Non-U.S. tax expense increased due to a gain on the sale of property.

2009 Compared to 2008

Income tax expense decreased by $256 million to a tax benefit of $231 million in 2009 compared to $25 million tax provision in 2008. The decrease in income tax expense in 2009 is primarily related to a decrease in pretax income as a result of impairment charges. The non-U.S. tax benefit was reduced due to impairment charges on entities in low tax jurisdictions.

Net Losses Attributable to Noncontrolling Interests

2010 Compared to 2009

Net losses attributable to noncontrolling interests decreased by $11 million in 2010 to zero, compared to $11 million in 2009 and reflected our acquisition of our partner's interest in a joint venture in 2010. The benefit for net losses attributable to noncontrolling interests in 2009 of $11 million is net of tax and reflected our partner's share of losses associated with a joint venture previously consolidated that we now wholly own. See Footnote No. 15, "Variable Interest Entities," of the Notes to our annual Combined Financial Statements for additional information.

2009 Compared to 2008

Net losses attributable to noncontrolling interests decreased by $14 million in 2009 to $11 million compared to $25 million in 2008 due to the buy-out of a joint venture arrangement as well as the impact of our partner's share of losses associated with joint ventures we consolidated.

Net Income and Income (Loss) Attributable to Marriott Vacations Worldwide

First Half of 2011 Compared to First Half of 2010

Net income (loss) attributable to Marriott Vacations Worldwide increased $5 million to $35 million in the first half of 2011 from $30 million in the first half of 2010. As discussed in more detail in the preceding sections, the $5 million increase reflected higher revenues from the sale of vacation ownership products net of related expenses ($8 million), lower equity in losses ($7 million), lower interest expense ($6 million), higher rental revenues net of expenses ($4 million), higher resort management and other services revenue net of expenses ($3 million), and higher other revenues net of expenses ($3 million). These increases were partially offset by lower financing revenues net of expenses on lower interest income ($11 million), higher income taxes ($8 million), an unfavorable variance related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects ($5 million), and an increase in general and administrative expenses ($2 million).

2010 Compared to 2009

Net income (loss) attributable to Marriott Vacations Worldwide increased $588 million to income of $67 million in 2010 from a loss of $521 million in 2009. As discussed in more detail in the preceding sections, the $588 million increase reflected a favorable variance related to our impairment and restructuring charges ($801 million), higher financing revenues net of expenses ($64 million), higher revenues from the sale of vacation ownership products net of expenses ($28 million), higher gains and other income ($19 million), an improvement in rental revenues net of expenses ($17 million), lower general and administrative expenses ($6 million), lower equity in losses ($4 million), and higher other revenues net of expenses ($4 million). Offsetting these improvements were higher income taxes ($276 million), higher interest expense ($56 million), lower resort management and other services revenues net of expenses ($12 million) and lower net losses attributable to noncontrolling interests, net of tax ($11 million).

2009 Compared to 2008

Net income (loss) attributable to Marriott Vacations Worldwide decreased $530 million to a loss of $521 million in 2009 from income of $9 million in 2008. As discussed in more detail in the preceding sections, the $530 million decrease reflected higher impairment and restructuring charges ($742 million), lower revenues from the sale of vacation ownership products net of expenses ($54 million), lower rental revenues net of expenses ($32 million), lower equity in (losses) earnings ($23 million), and lower net losses attributable to noncontrolling interests, net of tax ($14 million). These decreases were partially offset by lower income taxes ($256 million), higher financing revenues net of expenses ($48 million), higher resort management and other services revenues net of expenses ($14 million), lower general and administrative expenses ($11 million), and higher other revenues net of expenses ($4 million).

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA

EBITDA, a financial measure which is not prescribed or authorized by GAAP, reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of performance. Our Adjusted EBITDA excludes the impact of our 2008 and 2009 restructuring costs and 2008, 2009 and 2010 impairment charges and includes the impact of interest expense associated with our debt from the securitization of our notes receivable. We include the interest expense related to debt from the securitization of our notes receivable in determining Adjusted EBITDA as the debt is secured by notes receivable that have been sold to bankruptcy remote special purpose entities, and is not recourse generally to us or to our business. We evaluate Adjusted EBITDA, which adjusts for these items to allow for period-over-period comparisons of our ongoing core operations before material charges and is useful to measure our ability to service our non-securitized debt. EBITDA and Adjusted EBITDA also facilitate our comparison of results from our ongoing operations with results from other vacation ownership companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting Adjusted EBITDA's usefulness as a comparative measure. The table below shows our EBITDA and Adjusted EBITDA calculations and reconciles those measures with Net Income (Loss).

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Net income (loss)	$ 35	$ 30	$ 67	$(532)	$ (16)
Interest Expense	22	28	56	—	—
Tax provision (benefit), continuing operations	26	18	45	(231)	25
Depreciation and amortization	17	18	39	43	46
EBITDA	100	94	207	(720)	55
Restructuring expenses	—	—	—	44	19
Impairment charges:					
Impairments (reversals)	—	(5)	15	623	44
Impairments (reversals) on equity investment	—	—	(11)	138	—
Consumer financing interest expense	(22)	(28)	(56)	—	—
	(22)	(33)	(52)	805	63
Adjusted EBITDA	$ 78	$ 61	$155	$ 85	$118

Business Segments

Our business is grouped into four business segments: North America, Luxury, Europe and Asia Pacific. See Footnote No. 20, "Business Segments," of the Notes to our annual Combined Financial Statements for further information on our segments.

At the end of the first half of 2011, we operated the following 64 properties by segment (under 71 separate resort management contracts):

	U.S.(1)	Non-U.S.	Total
North America	43	3	46
Luxury	8	2	10
Europe	—	5	5
Asia Pacific	—	3	3
Total	51	13	64

(1) Includes U.S. territories.

Non-GAAP Financial Measures

We report Segment financial results (as adjusted), a financial measure that is not prescribed or authorized by GAAP. We believe Segment financial results (as adjusted) better reflects a segment's core operating performance than the comparable unadjusted measure, Segment financial results, as it adjusts this measure for restructuring charges and impairment charges that are not representative of ongoing operations.

The tables on the following pages reconcile Segment financial results (as adjusted) to the most directly comparable GAAP measure (identified by a footnote reference on the following segment tables). This non-GAAP measure is not an alternative to revenue, net income or any other comparable operating measure

prescribed by GAAP. In addition, Segment financial results (as adjusted) may be calculated and/or presented differently than measures with the same or similar names that are reported by other companies, and as a result, the Segment financial results (as adjusted) we report may not be comparable to those reported by others.

North America

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 234	$ 235	$ 492	$ 596	$ 869
Resort management and other services	82	79	175	161	167
Financing[1]	73	82	172	43	66
Rental	82	73	152	139	149
Other	14	14	27	32	27
Cost reimbursements	118	111	233	224	211
Total Revenues	603	594	1,251	1,195	1,489
Expenses					
Costs of vacation ownership products	91	96	191	241	317
Marketing and sales	113	116	247	304	439
Resort management and other services	66	68	149	116	130
Rental	70	65	135	145	123
Other	6	6	12	24	19
General and administrative	1	2	4	4	4
Restructuring	—	—	—	31	13
Impairment	—	—	—	108	9
Cost reimbursements	118	111	233	224	211
Total Expenses	465	464	971	1,197	1,265
Segment financial results.	$ 138	$ 130	$ 280	$ (2)	$ 224
Segment financial results as adjusted[2]	$ 138	$ 130	$ 280	$ 137	$ 246
Contract Sales (company-owned)					
Vacation ownership	$ 237	$ 257	$ 529	$ 572	$ 905
Residential products	1	—	1	1	17
Subtotal	238	257	530	573	922
Cancellation allowance	—	—	—	(4)	(16)
Total contract sales	$ 238	$ 257	$ 530	$ 569	$ 906
Volume per Guest[3]	$ 2,553	N/A	$2,285	N/A	N/A

(1) Financing revenues and reflect the impact of adopting the new Consolidation Standard beginning in 2010.

(2) Denotes a non-GAAP measure and includes:

Segment financial results	$138	$130	$280	$ (2)	$224
Add:					
- Restructuring	—	—	—	31	13
- Impairment	—	—	—	108	9
Segment financial results (as adjusted)	$138	$130	$280	$137	$246

(3) Includes only VPG information subsequent to the launch of the MVCD program in mid-2010.

First Half of 2011 Compared to First Half of 2010

The $9 million (2 percent) increase in revenues to $603 million in the first half of 2011 from $594 million in the first half of 2010 reflected $9 million of higher rental revenues, $7 million of higher cost reimbursements, and $3 million of higher resort management and other services revenues, partially offset by $9 million of lower financing revenues and $1 million of lower sales of vacation ownership products.

Rental revenues increased $9 million (12 percent) to $82 million in the first half of 2011 from $73 million in the first half of 2010, reflecting rental demand for our properties that resulted in a 2 percent increase in transient keys rented (8,500 additional keys) and a near 5 percent increase in transient rate achieved ($8.33 increase per key). Resort occupancy, which includes owner and rental occupancy, declined slightly to 90 percent in the first half of 2011 compared to 91 percent in the first half of 2010.

Cost reimbursements increased $7 million (6 percent) to $118 million in the first half of 2011 from $111 million in the first half of 2010, reflecting the impact of growth across the system from new resorts and new phases of existing resorts.

Resort management and other services revenues increased $3 million (4 percent) to $82 million in the first half of 2011 from $79 million in the first half of 2010, reflecting $6 million of additional fees associated with the MVCD program, $1 million of higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher management fees (from $23 million to $24 million) resulting from the cumulative increase in the number of vacation ownership products sold, partially offset by $4 million of lower resales commissions.

Financing revenues decreased $9 million (11 percent) to $73 million in the first half of 2011 from $82 million in the first half of 2010, reflecting a lower outstanding notes receivable balance due to the continued collection of existing mortgage notes receivables. In both the first half of 2011 and 2010 approximately 41 percent of purchasers financed their vacation ownership purchase with us.

Revenue from the sale of vacation ownership products decreased $1 million to $234 million in the first half of 2011 compared to $235 million in the first half of 2010, reflecting $19 million of lower gross contract sales, offset by $4 million related to higher revenue reportability and $14 million of lower notes receivable reserve activity due to an increase to the reserve in the first half of 2010 resulting from higher note receivable default and delinquency activity.

Gross contract sales decreased $19 million (7 percent) to $238 million in the first half of 2011 from $257 million in the first half of 2010 due to the impact of a higher proportion of sales made to existing owners that resulted in a 17 percent decline in the overall average price per contract to $24,100 in the first half of 2011 from $29,114 in the first half of 2010. The increase in existing owner purchases was driven by the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in the first half of 2011 rose by 22 percent, or 1,500 contracts, from the first half of 2010, sales to existing owners as a percentage of total sales was 69 percent in the current year, compared to 49 percent in the prior year. The average price per contract for sales to existing owners was over $7,000 (or 25 percent) lower than the first half of 2010 given the lower minimum purchase requirements for existing owners in the MVCD program. The average price per contract for new owners increased by nearly $700 (2 percent) from the first half of 2010.

Segment financial results increased $8 million to $138 million in the first half of 2011 from $130 million in the first half of 2010 due to $7 million of higher revenue from the sale of vacation ownership products net of related expenses, $5 million from higher resort management and other services revenues net of expenses, $4 million of higher rental revenues net of expenses, and $1 million of lower general and administrative expenses. These increases were partially offset by $9 million of lower financing revenues net of expenses from lower revenues.

Revenues from the sale of vacation ownership products net of expenses increased $7 million to $30 million in the first half of 2011 from $23 million in the first half of 2010. Results included $4 million of lower real estate inventory costs associated with a proportionately higher sales mix of lower cost projects, as well as the inclusion in the first half of 2010 of the increase to the notes receivable reserve as a result of higher note receivable default and delinquency activity. These increases were partially offset by lower contract sales.

Resort management and other services revenues net of expenses increased $5 million to $16 million in the first half of 2011 from $11 million in the first half of 2010 from additional fees associated with the MVCD program, net of expenses and $1 million of higher management fees.

Rental revenues net of expenses increased $4 million to $12 million in the first half of 2011 from $8 million in the first half of 2010 as a result of increased transient keys rented and higher transient rates as well as $1 million of lower costs due to fewer owner exchanges for Marriott Rewards Points.

2010 Compared to 2009

The $56 million increase (5 percent) in revenues to $1,251 million in 2010 from $1,195 million in 2009 reflected $129 million of higher financing revenues, a $14 million increase in resort management and other services revenues, $13 million of higher rental revenues and $9 million of higher cost reimbursements, offset by a $104 million decline in revenues from the sale of vacation ownership products and $5 million of lower other revenues.

The $129 million increase in financing revenues to $172 million in 2010, from $43 million in 2009, primarily reflected a $129 million increase in interest income, including a $135 million increase from the notes receivable we now consolidate in accordance with the new Consolidation Standard, partially offset by a $6 million decline in interest income related to a lower non-securitized notes receivable balance. The lower non-securitized notes receivable balance reflects the continued collection of existing notes receivable and lower financing propensity than we experienced in the past due in part to our elimination of financing incentive programs. For 2010, 42 percent of buyers financed their purchase with us, compared to 46 percent in 2009. On average, the non-securitized notes receivable balance decreased $75 million to $320 million in 2010 from $395 million in 2009.

Rental revenues increased $13 million (9 percent) to $152 million in 2010 from $139 million in 2009, reflecting rental demand for our properties that resulted in a 9 percent increase in transient keys rented (63,000 additional keys) and a 9 percent increase in transient rate achieved ($13.83 increase per key). This was partially offset by a decrease in tour package revenue of $10 million related to lower tour flow, as we reduced reliance on this higher cost marketing channel. Resort occupancy, which includes owner and rental occupancy, increased 1 percentage point to 92 percent in 2010.

The $14 million (9 percent) increase in resort management and other services revenues to $175 million in 2010 from $161 million in 2009 reflected $7 million of fees associated with the MVCD program that we launched in mid-2010, $5 million of higher ancillary revenues due to stronger demand for food and beverage and golf offerings and the impact of new or full-year operations at various projects and phases opened in 2009, and a $4 million increase in management fees (from $46 million to $50 million) resulting from the cumulative increase in the number of vacation ownership products sold.

The $9 million (4 percent) increase in cost reimbursements to $233 million in 2010 from $224 million in 2009 reflected the impact of growth across the system from new resorts and new phases at existing resorts.

Revenues from the sale of vacation ownership products decreased $104 million (17 percent) to $492 million in 2010 from $596 million in 2009, reflecting lower vacation ownership contract sales, $38 million related to lower revenue reportability year-over-year, the majority of which became reportable in the first half of 2011, and $27 million related to notes receivable reserve activity. The notes receivable reserve activity included a $25

million favorable impact in 2009 of the reversal of the notes receivable reserve into income upon the sale of the notes receivable through securitization. In 2010, notes receivable and the related reserves remained on our books upon securitization as part of our adoption of the new Consolidation Standard. Notes receivable reserve activity also included a $2 million increase to the 2010 notes receivable reserve as a result of higher note receivable default and delinquency activity.

Gross contract sales decreased $43 million (8 percent) to $530 million in 2010 from $573 million in 2009, reflecting:

- The continued impact of a weakened economy, due in part to the continued weakness in consumer confidence and decreased consumer willingness to spend discretionary income on purchases such as vacation ownership;
- The impact of restructuring efforts that we started in 2008 in response to the weakened economy that resulted in the closing of eight sales locations and one call center where we were no longer selling cost effectively. While those efforts resulted in lower sales volumes, they contributed to improvement in our total revenues from the sale of vacation ownership products, net of expenses;
- The impact of the 2009 sales promotion launched in celebration of the company's 25th anniversary, which resulted in a significant increase in contract sales in 2009; and
- The impact of a higher proportion of sales made to our existing owners that resulted in a 22 percent decline in the overall average price per contract to $21,799 in 2010 from $27,889 in 2009. The increase in existing owner purchases was driven by: (1) sales promotions and (2) the launch of the MVCD program in mid-2010, as our sales efforts were focused on educating existing owners about this program. As a result, while the number of sales contracts executed in 2010 rose by 29 percent, or nearly 4,400 contracts, from 2009, sales to existing owners as a percentage of total sales was 66 percent in 2010, compared to 47 percent in 2009. The average price per contract for sales to existing owners was nearly $8,000 (or 30 percent) lower than 2009 given the impact of discounting and lower minimum purchase requirements for existing owners in the MVCD program as compared to the average price per week in 2010.

Other revenues decreased $5 million (16 percent) to $27 million in 2010 from $32 million in 2009 due mainly to $5 million of lower tour deposit forfeitures in 2009, partially offset by higher settlement revenues associated with a higher number of contract closings in 2010.

Segment financial results of $280 million in 2010 increased by $282 million from $2 million of losses in 2009, and primarily reflected a favorable variance from the $139 million of impairment charges and restructuring expenses recorded in 2009, $129 million of higher financing revenues, $23 million of higher rental revenues net of expenses, $7 million from higher other revenue net of expense, driven mainly by a $10 million charge in 2009 related to resolving a tax issue with a state taxing authority, and $3 million from higher revenues from the sale of vacation ownership products net of expenses. Offsetting these increases was $19 million of lower resort management and other services revenues net of expenses.

Rental revenues net of expense increased $23 million to $17 million in 2010 from a loss of $6 million in 2009 as a result of increased transient keys rented and higher transient rates, $12 million of lower costs due to fewer owner exchanges for Marriott Rewards Points, and lower operating costs resulting from cost savings initiatives implemented in 2008. These increases were partially offset by $3 million of higher maintenance fees on unsold inventory (to $43 million in 2010 from $40 million in 2009) and $4 million of higher subsidy costs, both associated with the opening of new projects and phases.

Revenues from the sale of vacation ownership products net of expenses increased $3 million to $54 million in 2010 from $51 million in 2009 as a result of a nearly 1 percentage point reduction in marketing and sales expenses, as a percentage of related revenues, related to the cost savings initiatives begun in 2008, including the closure of higher cost sales locations, and lower overall real estate inventory expenses. These increases were

partially offset by lower revenues and $4 million from higher non-capitalizable development expenses, including property taxes and insurance, due to our decision to delay developing new project phases. A proportionately higher sales mix of lower cost projects resulted in $18 million of lower real estate inventory expenses, offset by an unfavorable variance of $10 million for real estate inventory cost true-ups related to revised estimates of project economics.

Resort management and other services revenues net of expenses decreased $19 million to $26 million in 2010 from $45 million in 2009 resulting mainly from $12 million of start-up costs associated with the launch of the MVCD program, as well as higher technology costs.

Segment financial results (as adjusted) increased by $143 million to $280 million in 2010 from $137 million in 2009.

2009 Compared to 2008

The $294 million (20 percent) decrease in revenues to $1,195 million in 2009 from $1,489 million in 2008 reflected $273 million of lower revenues from the sale of vacation ownership products, $23 million of lower financing revenues, $10 million of lower rental revenues, and $6 million of lower resort management and other services revenues. These declines were partially offset by $13 million of higher cost reimbursements and $5 million of higher other revenues.

Revenues from the sale of vacation ownership products decreased $273 million (31 percent) to $596 million in 2009 from $869 million in 2008, reflecting lower vacation ownership contract sales, partially offset by $42 million of favorable revenue reportability year-over-year, and $22 million of favorable notes receivable reserve activity. Prior to 2010, under then-existing accounting guidance, we reversed into income notes receivable reserves associated with the sale through securitizations. As such, 2009 benefited from a higher reversal of the notes receivable reserve into income due to our completion of two notes receivable securitizations in 2009, compared to only one in 2008.

Gross contract sales decreased $349 million (38 percent) to $573 million in 2009 from $922 million in 2008 due to weaker demand for our products and the impact of the closure or downsizing of sales locations. Similar to other companies in the vacation ownership industry, our sales performance in 2009 reflected the impact that the weakened economy had on consumer confidence and consumer willingness to spend discretionary income on purchases such as vacation ownership. Contract sales, net of cancellation allowances, decreased $337 million to $569 million in 2009 from $906 million in 2008.

Financing revenues declined $23 million (35 percent) to $43 million in 2009 from $66 million in 2008 resulting from $22 million of lower interest income in 2009 due to a $64 million lower balance of non-securitized notes receivable in 2009 as a result of our completion of two notes receivable securitizations during 2009 compared to one notes receivable securitization that occurred early in 2008.

The $10 million (7 percent) rental revenues decline to $139 million from $149 million reflected weaker rental demand resulting in an 18 percent reduction in transient rates, partially offset by a 17 percent increase in keys rented. Resort occupancy, which includes owner and rental occupancy, declined 1 percentage point to 91 percent in 2009.

Resort management and other services revenues declined $6 million to $161 million in 2009 from $167 million in 2008 as a result of $11 million of lower commissions on lower resales volumes, partially offset by higher management fees (from $41 million to $46 million) from the cumulative increase in the number of vacation ownership products sold.

Cost reimbursements increased $13 million (6 percent) to $224 million in 2009 from $211 million in 2008, reflecting the impact of growth across the system from new resorts and new phases of existing resorts, partially offset by the impact of cost containment efforts.

Other revenues increased $5 million (19 percent) to $32 million in 2009 from $27 million in 2008, resulting mainly from $6 million of higher tour deposit forfeitures in 2009.

Segment financial results decreased $226 million to $2 million of losses in 2009 from $224 million of income in 2008, and primarily reflected an unfavorable variance of $117 million related to the impairments and restructuring costs recorded in 2009 and 2008, a decrease in revenues from the sale of vacation ownership products net of expenses of $62 million, $32 million from lower rental revenues net of expenses, and $23 million of lower financing revenues net of expenses due mainly to lower interest income as discussed in the revenues section above, partially offset by $8 million of higher resort management and other services revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses decreased $62 million to $51 million in 2009 from $113 million in 2008 due mainly to the impact of the lower revenues from the sale of vacation ownership products, a nearly 1 percentage point increase in overall marketing and sales expenses as a percentage of related revenues due to decreased contract sales volumes, and an unfavorable variance of $33 million for real estate inventory cost true-ups related to revised estimates of project economics.

Rental revenues net of expenses decreased $32 million to a loss of $6 million in 2009 from income of $26 million in 2008 from lower transient rates, $18 million of higher maintenance fees associated with unsold inventory due to new projects and new phases of existing projects ($40 million in 2009 from $22 million in 2008), and $6 million of higher Marriott Rewards expenses due to increased owner exchanges for Marriott Rewards Points. In addition, 2008 benefited from an $8 million reduction from a change in estimate in the Marriott Rewards customer loyalty program liability.

Resort management and other services revenues net of expenses increased $8 million to $45 million in 2009 from $37 million in 2008 on $6 million of higher management fee revenues and $3 million of higher revenues net of expenses on resales activity driven mainly by the favorable timing of revenue recognition for sales commissions.

Segment financial results (as adjusted) decreased by $109 million to $137 million in 2009 from $246 million in 2008.

Luxury

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 9	$ 13	$ 20	$ 39	$ 45
Resort management and other services	12	10	20	20	18
Financing[1]	3	4	8	7	3
Rental	2	2	2	2	3
Other	1	—	1	1	—
Cost reimbursements	23	25	52	58	61
Total Revenues	50	54	103	127	130
Expenses					
Costs of vacation ownership products	6	6	11	28	29
Marketing and sales	6	11	23	31	38
Resort management and other services	14	11	23	26	33
Rental	11	9	21	18	20
Other	—	—	—	1	2
General and administrative	2	2	3	3	3
Restructuring	—	—	—	3	1
Impairment	—	—	20	441	25
Cost reimbursements	23	25	52	58	61
Total Expenses	62	64	153	609	212
Gains and other income	—	—	—	2	—
Equity in (losses) earnings	—	(6)	(8)	(12)	11
Impairment reversals (charges) on equity investment	—	—	11	(138)	—
Segment financial results	$ (12)	$ (16)	$ (47)	$(630)	$ (71)
Segment financial results as adjusted[2]	$ (12)	$ (16)	$ (38)	$ (48)	$ (45)
Contract Sales					
Company-Owned					
Vacation ownership	$ 9	$ 13	$ 20	$ 25	$ 27
Residential products	1	6	8	11	9
Subtotal	10	19	28	36	36
Cancellation allowance	1	—	(1)	(4)	(2)
Total company-owned contract sales	11	19	27	32	34
Joint Venture					
Vacation ownership	6	7	12	19	16
Residential products	—	4	4	—	32
Subtotal	6	11	16	19	48
Cancellation allowance	—	(14)	(19)	(75)	(97)
Total joint venture contract sales	6	(3)	(3)	(56)	(49)
Total contract sales	$ 17	$ 16	$ 24	$ (24)	$ (15)

(1) Financing revenues and reflect the impact of adopting the new Consolidation Standard beginning in 2010.

(2) Denotes a non-GAAP measure and includes:

Segment financial results	$(12)	$(16)	$(47)	$(630)	$(71)
Add:					
- Restructuring	—	—	—	3	1
- Impairment	—	—	20	441	25
- Impairment reversals (charges) on equity investment	—	—	(11)	138	—
Segment financial results (as adjusted)	$(12)	$(16)	$(38)	$ (48)	$(45)

Overview

Given the continued weakness in the economy, particularly in the luxury real estate market, we have significantly scaled back our development of luxury vacation ownership products. We do not have any luxury projects under construction nor do we have any current plans for new development in this segment. While we will continue to sell existing luxury vacation ownership products, we also expect to evaluate opportunities for bulk sales of excess luxury inventory and disposition of undeveloped land.

First Half of 2011 Compared to First Half of 2010

Revenues decreased $4 million (7 percent) to $50 million in the first half of 2011 from $54 million in the first half of 2010, reflecting $4 million of lower revenues from the sale of company-owned vacation ownership products and $2 million of lower cost reimbursements, partially offset by $2 million of higher resort management and other services revenues.

Revenue from the sale of luxury vacation ownership products decreased $4 million (31 percent) to $9 million in the first half of 2011 from $13 million in the first half of 2010, reflecting lower sales volumes due to the weakness in the luxury real estate market and $7 million related to unfavorable revenue reportability year-over-year. These declines were partially offset by $11 million of lower notes receivable reserve activity, due mainly to an increase to the reserve in the first half of 2010 as a result of higher note receivable default and delinquency activity.

Total contract sales include sales from company-owned projects as well as sales generated under a marketing and sales arrangement with a joint venture. Gross contract sales (before cancellation allowances) decreased $14 million driven mainly by lower sales of residential products due to continued weakness in the luxury real estate market. Contract sales, net of cancellation allowances, reflected an increase of $1 million to $17 million in the first half of 2011 from $16 million in the first half of 2010, reflecting a $15 million reduction in the cancellation allowances year-over-year, partially offset by the weakness in the real estate market. Since we do not expect to have any luxury projects under construction, we do not anticipate having significant cancellation allowances in the future.

Cost reimbursements decreased $2 million (8 percent) to $23 million in the first half of 2011 from $25 million in the first half of 2010 due to lower development expenditures after completion of a project by one of our joint ventures and lower marketing and sales costs incurred under our joint venture arrangements, in response to weak business conditions and cost containment measures.

Resort management and other services revenues increased $2 million (20 percent) to $12 million in the first half of 2011 from $10 million in the first half of 2010 due mainly to higher ancillary revenues related to stronger consumer demand and the addition of new projects and new phases of existing projects. Management fees remained flat at $1 million in the first halves of 2011 and 2010.

Segment financial results improved $4 million to a loss of $12 million in the first half of 2011 from a loss of $16 million in the first half of 2010, reflecting $6 million of lower equity in losses due to the discontinuance of recording equity in losses when our investments in a joint venture, including loans from the joint venture, reached zero during 2010, partially offset by $2 million of lower rental revenues net of expenses (losses).

Rental revenues net of expenses decreased $2 million to a loss of $9 million in the first half of 2011 from a loss of $7 million in the first half of 2010, reflecting increased maintenance fees on unsold inventory related to a new project, bringing total maintenance costs on unsold inventory to $8 million in the first half of 2011 up from $6 million in the first half of 2010.

2010 Compared to 2009

The $24 million (19 percent) decrease in Luxury segment revenues to $103 million in 2010 from $127 million in 2009 reflected $19 million of lower revenues from the sale of company-owned vacation ownership products and $6 million of lower cost reimbursements, partially offset by $1 million of higher financing revenues. Management fees remained flat at $3 million in 2010 and 2009.

Revenues from the sale of vacation ownership products decreased $19 million (49 percent) to $20 million in 2010 from $39 million in 2009, reflecting lower sales volumes due to the weakness in the luxury real estate market, continued price discounting to drive sales, and the impact of fewer sales locations resulting from our cost savings initiatives. In addition, results reflected a $10 million increase to the 2010 notes receivable reserve activity as a result of higher note receivable default and delinquency activity and $4 million related to unfavorable revenue reportability year-over-year.

Gross contract sales (before cancellation allowances) decreased $11 million due to the continued weakness in the luxury real estate market. Contract sales, net of cancellation allowances, reflected an increase of $48 million to $24 million in 2010 from $24 million of net negative sales in 2009 driven mainly by a net $59 million decrease in cancellation allowances. Since we do not expect to have any luxury projects under construction, we do not anticipate having significant cancellation allowances in the future.

Cost reimbursements decreased $6 million (10 percent) to $52 million in 2010 from $58 million in 2009 due to lower development expenditures after completion of a project by one of our joint ventures and lower marketing and sales costs incurred under our joint venture arrangements, in response to weak business conditions and cost containment measures.

Segment financial results improved by $583 million to $47 million of losses in 2010 from $630 million of losses in 2009, primarily reflecting a favorable variance from the $573 million of impairment charges and restructuring expenses recorded in 2009 and 2010, $6 million of higher revenues from the sale of vacation ownership products net of expenses, $1 million of higher financing revenues net of expenses due to higher interest income associated with the new Consolidation Standard, a $4 million improvement in equity in losses, and a $3 million increase in resort management and other services revenues net of expenses. These increases were partially offset by $2 million of lower gains and other income and $3 million of lower rental revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses improved $6 million to a loss of $14 million in 2010 from a loss of $20 million in 2009, resulting from lower real estate inventory expenses associated with a proportionately higher sales mix of lower cost projects, partially offset by lower revenues, higher marketing and sales costs due to weak business conditions, and a $2 million increase of non-capitalizable development expenses due to the decision to delay developing new project phases. Due to the ongoing soft luxury market, we streamlined marketing and sales staffing by focusing only on key markets. Further, we re-emphasized our points-based resort system product and lowered prices in some locations to help sell existing inventory.

Equity in losses of $8 million in 2010 improved by $4 million from equity in losses of $12 million in 2009 due mainly to lower cancellation reserves and improved operating results related to a joint venture project as well as the discontinuance of recording equity in losses when our investments in the joint venture, including loans due from the joint venture, were reduced to zero in 2010.

Resort management and other services revenues net of expenses improved $3 million to a loss of $3 million in 2010 from a loss of $6 million in 2009 due to lower marketing and sales expenses incurred under a marketing and sales arrangement with one of our joint venture projects given reduced contract sales volumes, as well as higher technology costs.

Rental losses increased $3 million to a loss of $19 million in 2010 from a loss of $16 million in 2009, reflecting increased maintenance fees on unsold inventory related to a new project, bringing total maintenance costs on unsold inventory to $13 million in 2010 from $9 million in 2009. The $2 million decrease in gains and other income primarily reflected the unfavorable variance from the $2 million gain on the disposition of a sales location in 2009.

Segment financial results (as adjusted) improved by $10 million to $38 million of losses in 2010 from $48 million of losses in 2009.

2009 Compared to 2008

The $3 million (2 percent) decrease in revenues to $127 million in 2009 from $130 million in 2008 reflected $6 million of lower revenues from the sale of luxury vacation ownership products, $3 million of lower cost reimbursements, $1 million of lower rental revenues, partially offset by $4 million of higher financing revenues and $2 million of higher resort management and other services revenues.

On relatively flat contract sales from company-owned projects, revenues from the sale of vacation ownership products decreased $6 million (13 percent) to $39 million in 2009 from $45 million in 2008, reflecting lower revenue reportability year-over-year. Rental revenues decreased $1 million to $2 million in 2009 from $3 million in 2008 due to weak demand for rental products. Cost reimbursements decreased $3 million (5 percent) to $58 million in 2009 from $61 million in 2008 due to lower development expenditures as a result of completing construction at one of our joint venture projects and lower marketing and sales efforts incurred under our joint venture arrangements, in response to business conditions and cost containment measures.

Financing revenues increased $4 million to $7 million in 2009 from $3 million in 2008 due mainly to higher interest earned on a loan to a joint venture.

The $2 million (11 percent) increase in resort management and other services revenues to $20 million in 2009 from $18 million in 2008 resulted from $4 million of higher fees earned on higher contract closings under a marketing and sales arrangement with a joint venture and $1 million of higher management fees (from $2 million to $3 million) and customer service revenues from the cumulative increase in the number of vacation ownership products sold, partially offset by $2 million of lower ancillary revenues given the weakened economy and lower customer propensity to spend as well as $1 million of lower commissions earned on lower resale volumes.

Segment financial results of $630 million of losses in 2009 increased by $559 million from $71 million of losses in 2008, and primarily reflected an unfavorable variance of $556 million from the impairments and restructuring costs recorded in 2008 and 2009, and $23 million related to decreased equity in earnings (losses). These declines were partially offset by $9 million of higher resort management and other services revenues net of expenses, $4 million of higher financing revenues net of expenses from higher interest income, $2 million of higher revenues from the sale of vacation ownership products net of expenses, $2 million related to higher other revenues net of expenses, and $1 million related to increased rental revenues net of expenses.

Equity in earnings (losses) decreased to a loss of $12 million in 2009 from earnings of $11 million in 2008 due to decreased earnings in 2009 for a joint venture project associated with lower sales volumes and higher operating and other costs, as well as the impact of cancellation allowances and 2009 impairment charges.

Resort management and other services revenues net of expenses improved $9 million to a loss of $6 million in 2009 from a loss of $15 million in 2008, reflecting $3 million of increased fees earned under a marketing and

sales arrangement, $4 million of improved revenues net of expenses associated with resales activity and $2 million related to higher customer services revenues net of expenses from the cumulative increase in the number of vacation ownership products sold.

Revenues from the sale of vacation ownership products net of expenses improved $2 million to a loss of $20 million in 2009 from a loss of $22 million in 2008 due to marketing and sales expense savings initiatives implemented in response to weak real estate market conditions as well as $3 million of favorable revenue reportability. These increases were partially offset by an unfavorable variance of $2 million for real estate inventory cost true-ups related to revised estimates of project economics.

Other revenues net of expenses improved to a breakeven position in 2009 from a loss of $2 million in 2008 reflecting the higher other revenues, and rental revenues net of expenses improved $1 million to a loss of $16 million in 2009 from a loss of $17 million in 2008 reflecting $4 million of lower subsidy expenses, partially offset by $1 million of higher maintenance fee expenses on unsold inventory related to new projects and new phases of existing projects as well as the impact of lower revenues due to weak demand. Maintenance costs on unsold inventory were $9 million in 2009 compared to $8 million in 2008.

Segment financial results (as adjusted) declined by $3 million to a loss of $48 million in 2009 from a loss of $45 million in 2008.

Europe

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 22	$ 23	$ 58	$ 46	$ 91
Resort management and other services	13	12	29	30	34
Financing	2	2	5	6	7
Rental	7	6	17	16	19
Other	—	—	1	1	—
Cost reimbursements	12	11	24	23	25
Total Revenues	56	54	134	122	176
Expenses					
Costs of vacation ownership products	7	7	19	18	38
Marketing and sales	14	14	32	32	70
Resort management and other services	10	10	24	25	28
Rental	8	8	18	17	20
Other	—	—	1	1	1
General and administrative	1	—	1	1	1
Restructuring	—	—	—	3	5
Impairment	—	—	—	51	10
Cost reimbursements	12	11	24	23	25
Total Expenses	52	50	119	171	198
Segment financial results	$ 4	$ 4	$ 15	$ (49)	$ (22)
Segment financial results as adjusted[1]	$ 4	$ 4	$ 15	$ 5	$ (7)
Contract Sales (company-owned)					
Vacation ownership	$ 23	$ 23	$ 63	$ 55	$ 89
Total contract sales	$ 23	$ 23	$ 63	$ 55	$ 89

(1) Denotes a non-GAAP measure and includes:

Segment financial results	$ 4	$ 4	$ 15	$ (49)	$ (22)
Add:					
- Restructuring	—	—	—	3	5
- Impairment	—	—	—	51	10
Segment financial results (as adjusted)	$ 4	$ 4	$ 15	$ 5	$ (7)

Overview

In our Europe segment, we are focusing on selling our existing projects and managing existing resorts. We do not have any current plans for new development in this segment.

First Half of 2011 Compared to First Half of 2010

Revenues increased $2 million (4 percent) to $56 million in the first half of 2011 from $54 million in the first half of 2010, reflecting $1 million of higher cost reimbursements from growth across the system, $1 million of higher resort management and other services revenues on higher ancillary revenues from food and beverage and golf offerings, and $1 million of higher rental revenues from a 24 percent increase in transient keys (nearly 5,000) and a 4 percent increase in transient rate ($9.72 increase per key). These increases were partially offset by

$1 million of lower revenues from the sale of vacation ownership products due to lower revenue reportability on flat contract sales of $23 million in both years. Management fees remained flat at $2 million in the first halves of 2011 and 2010.

Segment financial results of $4 million in the first half of 2011 were flat to the prior year, reflecting higher rental revenues, net of expenses., offset by an increase in general and administrative costs.

2010 Compared to 2009

The $12 million (10 percent) increase in revenues to $134 million in 2010 from $122 million in 2009 reflected $12 million of higher revenue from the sale of vacation ownership products, partially offset by $1 million of lower financing revenues. Management fees remained flat at $6 million in 2010 and 2009.

Revenues from the sale of vacation ownership products increased $12 million (26 percent) to $58 million in 2010 from $46 million in 2009, reflecting higher vacation ownership contract sales and $3 million related to favorable revenue reportability year-over-year.

Contract sales increased $8 million (15 percent) to $63 million in 2010 from $55 million in 2009, reflecting increased demand for European products predominantly from Middle East based customers as well as the impact of price discounting and sales incentives versus 2009. Sales of our multi-week product increased by 40 percent as a result of price reductions to help stimulate demand.

The $1 million decrease in financing revenues to $5 million in 2010 from $6 million in 2009 primarily reflected a decrease in interest income due to a lower notes receivable balance. The average notes receivable balance decreased $8 million to $45 million in 2010 from $53 million in 2009.

Segment financial results of $15 million in 2010 improved by $64 million from $49 million of losses in 2009, and primarily reflected a favorable variance from the $54 million of impairment charges and restructuring expenses recorded in 2009 and $11 million of higher revenues from the sale of vacation ownership products net of expenses, partially offset by $1 million of lower tour deposit forfeitures.

Revenues from the sale of vacation ownership products net of expenses improved $11 million to $7 million in 2010 from a loss of $4 million in 2009, resulting from higher contract sales. Marketing and sales expenses as a percentage of related revenues declined over 14 percentage points as a result of a higher mix of sales from more cost effective marketing channels in the Middle East, increased sales of our multi-week product, and improved leverage of our fixed costs. Real estate inventory costs declined $3 million, reflecting a proportionately higher sales mix of lower cost projects in 2009.

Segment financial results (as adjusted) increased by $10 million to $15 million in 2010 from $5 million in 2009.

2009 Compared to 2008

The $54 million (31 percent) decrease in revenues to $122 million in 2009 from $176 million in 2008 reflected $45 million of lower revenues from the sale of vacation ownership products, $4 million of lower resort management and other services revenues, $3 million of lower rental revenues, and $2 million of lower cost reimbursements, many of which were unfavorably impacted by an appreciating Euro.

Revenues from the sale of vacation ownership products decreased $45 million (49 percent) to $46 million in 2009 from $91 million in 2008, reflecting lower vacation ownership contract sales and foreign currency fluctuations, $8 million related to lower revenue reportability year-over-year and $3 million due to higher notes receivable reserve activity. Resort management and other services revenues declined $4 million to $30 million in 2009 from $34 million in 2008, mainly reflecting weaker demand at ancillary operations including food and beverage and golf operations, partially offset by $1 million of higher management fees (from $5 million to $6 million).

Contract sales decreased $34 million (38 percent) to $55 million in 2009 from $89 million in 2008, reflecting our downsizing of tour production due to weaker demand for our products from the United Kingdom, German, and Middle East markets as a result of the economic downturn at the end of 2008, price discounting to help stimulate demand, and the unfavorable impact of foreign currency fluctuations on Euro-denominated sales.

Rental revenues declined $3 million (16 percent) to $16 million in 2009 from $19 million in 2008, reflecting increased discounting to drive demand given weakened economic conditions. Cost reimbursements decreased $2 million to $23 million in 2009 from $25 million in 2008 due to cost savings initiatives implemented in response to the weakened economy and overall demand.

Segment financial results declined by $27 million to a loss of $49 million in 2009 from a loss of $22 million in 2008, and primarily reflected an unfavorable variance of $39 million from the impairment charges and restructuring expenses recorded in 2009 and 2008 and $1 million of lower resort management and other services revenues net of expenses, partially offset by $13 million of higher revenues from the sale of vacation ownership products net of expenses and $1 million of higher other revenues net of expenses.

Resort management and other services revenues net of expenses decreased $1 million to $5 million in 2009 from $6 million in 2008 due mainly to $1 million of lower customer service revenues net of expenses.

Revenue from the sale of vacation ownership products net of expenses improved $13 million to a loss of $4 million in 2009 from a loss of $17 million in 2008. Despite lower contract sales volumes, marketing and sales expenses as a percentage of related revenues improved by 7 percentage points due to downsizing of the sales organization in response to weak business conditions and inventory expenses were favorably impacted by $6 million of real estate inventory cost true-ups related to revised estimates of project economics.

Segment financial results (as adjusted) increased by $12 million to $5 million in 2009 from a loss of $7 million in 2008.

Asia Pacific

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues					
Sales of vacation ownership products, net	$ 30	$ 27	$ 65	$ 62	$ 99
Resort management and other services	1	1	3	2	2
Financing	2	2	3	4	3
Rental	4	8	16	18	7
Other	—	1	—	—	—
Cost reimbursements	5	4	9	7	7
Total Revenues	42	43	96	93	118
Expenses					
Costs of vacation ownership products	10	9	20	20	32
Marketing and sales	21	19	42	46	57
Resort management and other services	1	(1)	—	3	1
Rental	5	10	20	19	7
Other	—	—	1	—	—
General and administrative	—	—	1	1	1
Restructuring	—	—	—	7	—
Impairment	—	(5)	(5)	16	—
Cost reimbursements	5	4	9	7	7
Total Expenses	42	36	88	119	105
Gains and other income	—	—	21	—	—
Equity in losses	—	(1)	—	—	—
Segment financial results	$ —	$ 6	$ 29	$ (26)	$ 13
Segment financial results as adjusted[2]	$ —	$ 1	$ 24	$ (3)	$ 13
Contract Sales					
Company-Owned					
Vacation ownership	$ 31	$ 29	$ 68	$ 65	$ 97
Total company-owned contract sales	31	29	68	65	97
Joint Venture					
Vacation ownership	—	—	—	—	(1)
Total joint venture contract sales	—	—	—	—	(1)
Total contract sales	$ 31	$ 29	$ 68	$ 65	$ 96
(1) Denotes a non-GAAP measure and includes:					
Segment financial results	$ —	$ 6	$ 29	$ (26)	$ 13
Add:					
- Restructuring	—	—	—	7	—
- Impairment	—	(5)	(5)	16	—
Segment financial results (as adjusted)	$ —	$ 1	$ 24	$ (3)	$ 13

First Half of 2011 Compared to First Half of 2010

Asia Pacific revenues declined $1 million (2 percent) to $42 million in the first half of 2011 from $43 million in the first half of 2010, reflecting $4 million of lower rental revenues due the loss of rental units associated with the disposition of an operating hotel in the 2010 fourth quarter that we originally acquired for conversion into vacation ownership products, partially offset by $3 million of higher revenues from the sale of vacation ownership products on higher contract sales volumes. Management fees remained flat at $1 million in the first halves of 2011 and 2010.

Contract sales increased $2 million (7 percent) to $31 million in the first half of 2011 from $29 million in the first half of 2010, reflecting improved demand for our product.

Segment financial results were break-even in the first half of 2011, decreasing by $6 million from $6 million in the first half of 2010. Results reflected a $5 million unfavorable variance related to a 2010 first quarter reversal of a previously recorded impairment charge for one of our Asia Pacific projects and $2 million of lower resort management and other services revenues net of expenses, partially offset by a $1 million improvement in equity in losses.

Resort management and other services revenues net of expenses decreased to break-even in the first half of 2011 from $2 million in the first half of 2010 as a result of the collection of a $2 million receivable in 2010 from a joint venture arrangement that had previously been reserved for in 2009.

Segment financial results (as adjusted) declined by $1 million to $0 in the first half of 2011 from $1 million in the first half of 2010.

2010 Compared to 2009

Asia Pacific revenues increased $3 million (3 percent) to $96 million in 2010 from $93 million in 2009, reflecting $3 million of higher revenues from the sale of vacation ownership products on higher contract sales volumes, $1 million of higher resort management and other services revenues, and $2 million of higher cost reimbursements, offset by $2 million of lower rental revenues due to the fourth quarter disposition of an operating hotel that we originally acquired for conversion into vacation ownership products.

Revenues from the sale of vacation ownership products increased $3 million (5 percent) to $65 million in 2010 from $62 million in 2009, mainly reflecting higher vacation ownership contract sales.

Contract sales increased $3 million (5 percent) to $68 million in 2010 from $65 million in 2009, reflecting increased demand and the opening of a new sales location.

Resort management and other services revenues increased $1 million to $3 million in 2010 from $2 million in 2009, reflecting higher customer service revenues from the cumulative increase in the number of vacation ownership products sold. Rental revenues decreased $2 million to $16 million in 2010 from $18 million in 2009 driven by the loss of rental units associated with the disposition of an operating hotel in the 2010 fourth quarter, partially offset by a 28 percent increase in transient keys rented due to a full-year of rental operations at one of our projects in Thailand. Management fees remained flat at $1 million in 2010 and 2009.

Segment financial results of $29 million in 2010 improved by $55 million from $26 million of losses in 2009, and primarily reflected a favorable variance from the $28 million of impairments and restructuring costs recorded in 2009 and 2010, a $21 million increase in gains and other income, $7 million of higher revenues from the sale of vacation ownership products net of expenses and $4 million of higher resort management and other services revenues net of expenses, partially offset by $3 million of lower rental revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses improved $7 million to $3 million in 2010 from a loss of $4 million in 2009, resulting from higher contract sales, an 8 percentage point reduction in marketing and sales expenses as a percentage of related revenues due to the cost savings initiatives begun in 2008, and $2 million of lower average inventory costs associated with a proportionately higher sales mix of lower cost projects.

The $21 million of gains and other income in 2010 related to a gain on the sale of an operating hotel.

Resort management and other services revenues net of expenses increased $4 million to $3 million in 2010 from a loss of $1 million in 2009 due to the collection of a $2 million receivable from a joint venture arrangement that had previously been reserved for in 2009.

Rental revenues net of expenses decreased $3 million to a loss of $4 million in 2010 from a loss of $1 million in 2009 due to lower rental revenues, as well as $1 million of higher unsold maintenance fees related to a new project.

Segment financial results (as adjusted) increased by $27 million to $24 million in 2010 from a loss of $3 million in 2009.

2009 Compared to 2008

The $25 million (21 percent) decrease in Asia Pacific revenues to $93 million in 2009 from $118 million in 2008 reflected $37 million of lower revenues from the sale of vacation ownership products from lower contract sales, partially offset by $11 million of higher rental revenues driven primarily by higher revenues from operating a hotel we acquired to convert into vacation ownership products. Management fees remained flat at $1 million in 2009 and 2008.

Revenues from the sale of vacation ownership products decreased $37 million (37 percent) to $62 million in 2009 from $99 million in 2008, reflecting lower contract sales and $6 million related to unfavorable revenue reportability year-over-year.

Contract sales decreased $31 million (32 percent) to $65 million in 2009 from $96 million in 2008, reflecting weaker demand for our products resulting from weakened economic and geo-political conditions, the reduction in the size of our Singapore sales location and sell-out of a project in Phuket, Thailand.

Segment financial results of a $26 million loss in 2009 declined by $39 million from $13 million of income in 2008, and primarily reflected an unfavorable variance from the $23 million of impairments and restructuring costs recorded in 2009, $14 million of lower revenues from the sale of vacation ownership products net of expenses and $2 million of lower resort management and other services revenues net of expenses.

Revenues from the sale of vacation ownership products net of expenses, decreased to a $4 million loss in 2009 from $10 million of income in 2008, resulting from lower contract sales and a 16 percentage point increase in marketing and sales expenses, as a percentage of related revenues, associated with the downturn in the global economy. Resort management and other services revenues net of expenses decreased to a loss of $1 million in 2009 from income of $1 million in 2008 driven mainly by a $2 million reserve recorded against an account receivable from a joint venture arrangement.

Segment financial results (as adjusted) decreased by $16 million to a loss of $3 million in 2009 from $13 million of income in 2008.

Corporate and Other

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010	Fiscal Years 2010	Fiscal Years 2009	Fiscal Years 2008
Revenues[1]	$ —	$ —	$—	$ 59	$ 3
Expenses[1]	$ 69	$ 76	$165	$115	$138

(1) Revenues and expenses reflect the impact of adopting the new Consolidation Standard beginning in 2010.

Corporate and Other captures information not specifically identifiable to an individual segment including gains on securitization of notes receivable and accretion of retained interests (prior to the adoption of the new Consolidation Standard), expenses in support of our financing operations, non-capitalizable development expenses supporting overall company development, company-wide general and administrative costs, interest expense and an impairment charge relating to internally developed software in 2009.

First Half of 2011 Compared to First Half of 2010

Total expenses declined by $7 million to $69 million in the first half of 2011 from $76 million in the first half of 2010. The $7 million improvement was driven by $6 million of lower interest expense due to the repayment of the bonds related to the securitized notes receivable and $3 million of lower other expenses primarily consisting of the favorable true-up of the 2010 bonus accrual as a result of final payouts in the 2011 first quarter, partially offset by $2 million of higher general and administrative costs related mainly to merit compensation increases.

2010 Compared to 2009

The $59 million decrease in revenues to $0 million in 2010 from $59 million in 2009 reflected the elimination of the accretion of retained interest and gain on notes receivable securitized as a result of the new Consolidation Standard in 2010.

Total expenses increased $50 million to $165 million in 2010 from $115 million in 2009. The $50 million increase primarily reflected $56 million of increased interest expense driven mainly by the consolidation of $1,121 million of debt associated with previously securitized notes receivable on the first day of fiscal 2010 and higher system and other technology costs. These higher expenses were partially offset by a favorable variance of $7 million due to an impairment charge related to internally developed software in 2009, and $6 million of lower general and administrative expenses resulting from cost savings initiatives begun in 2008.

2009 Compared to 2008

The $56 million increase in revenues to $59 million in 2009 from $3 million in 2008 mainly reflected $21 million of higher note receivable securitization gains on higher volumes sold and $35 million of higher retained interest accretion.

Total expenses decreased by $23 million to $115 million in 2009 from $138 million in 2008. The $23 million decrease reflected $10 million of lower financing costs due to the elimination of incentives to drive financing propensity and the impact of our cost savings initiatives, $12 million of lower general and administrative expenses related to the impact of the restructuring efforts and ongoing cost savings initiatives begun in 2008, and $6 million of lower development related overhead expenses due to an overall reduction in development efforts in response to economic conditions. These increases were offset by an unfavorable variance of $7 million related to impairment of internally developed software in 2009.

New Accounting Standards

See Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our interim Combined Financial Statements and Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our annual Combined Financial Statements for information related to our adoption of new accounting standards in the first half of 2011, 2010, 2009 and 2008 and for information on our anticipated adoption of recently issued accounting standards.

Liquidity and Capital Resources

Cash Flow Provided to Marriott International

In the first half of 2011, we generated $152 million of cash flows from operating activities, compared to $205 million in the first half of 2010. In fiscal year 2010, we generated $383 million of cash flows from operating activities, compared to $177 million in 2009. Our cash flow has allowed us to reduce Marriott International's net parent investment by $23 million and $22 million in the first halves of 2011 and 2010, respectively, and by $253 million and $90 million in 2010 and 2009, respectively.

We anticipate generating net cash for the full 2011 fiscal year and also expect that our two secured revolving credit facilities, described below, will provide us with more than sufficient liquidity to meet our seasonal working capital needs going forward.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Cash provided by (used in) operating activities	$ 152	$ 205	$ 383	$177	$(392)
Net transfers from (to) parent	$ (23)	$ (22)	$(253)	$ (90)	$ 606

Until the spin-off is consummated, Marriott International will continue to provide cash management and other treasury services to us. As part of these services, we sweep the majority of our domestic cash balances to Marriott International on a daily basis, and we receive funding from Marriott International for any domestic cash needs we may have. As a result, our unrestricted cash and cash equivalents balances presented on our Combined Balance Sheets consist primarily of cash held at international locations for international cash needs.

As discussed above, while we have generally generated excess cash flows for Marriott International, 2008 was an exception given the effect that unusually weak economic conditions had on our business. At that time, we were primarily selling a weeks-based vacation ownership product that required a level of spending that was higher than the level anticipated under our points-based program. This spending was required to support growth at all resorts where we were currently selling such inventory. We also had incentive programs in place to drive increased consumer financing propensity. As the economy and financing markets weakened in 2008, Marriott International chose not to securitize our notes receivable given the materially less favorable terms then available in the market. Our ability to quickly scale back real estate inventory spending was also limited by our existing construction commitments. In response to these market conditions, we have taken a number of steps to reduce operating expenses and overhead, better align real estate inventory spending with sales pace and reduce financing propensity.

Separation from Marriott International, Our Future Cash Flows and Our New Credit Facilities

We believe that the cash we generate from operating activities, our Revolving Corporate Credit Facility and our Warehouse Credit Facility, and our ability to raise capital through securitizations, will be adequate to meet our short-term and long-term liquidity requirements, finance our long-term growth plans, meet debt service and fulfill other cash requirements.

We will continue to generate cash flows from operating activities, including cash flows from (1) our sale of vacation ownership products, (2) resort management fees, (3) annual and transaction based fees we receive from owners and (4) interest income on, and proceeds from future securitizations of, notes receivable. Further, we will

continue to implement measures to effectively manage cash flow by concentrating on lower cost marketing channels, managing financing propensity to achieve a desired mix of cash sales and financed sales of vacation ownership products, and better aligning real estate inventory investment with sales pace.

We have sufficient real estate inventory to meet demand for our vacation ownership products for the next several years. At the end of the first half of 2011, we had over $1.3 billion of inventory on hand, comprised of $579 million of finished goods, $240 million of work-in-process, and $524 million of land and infrastructure. As a result, we expect our real estate inventory spending to be modest over the next several years. We anticipate our real estate inventory spending (as discussed below) will be less than cost of sales for the next several years. We also expect to evaluate opportunities for bulk sales of excess luxury inventory and disposition of undeveloped land in order to generate incremental cash and reduce related carrying costs. See Footnote No. 1, “Summary of Significant Accounting Policies—Capitalization of Costs,” of the Notes to our annual Combined Financial Statements for details regarding the various costs capitalized during the preconstruction and construction phases.

Changes we have made to our vacation ownership product offerings also allow us to more efficiently utilize our real estate inventory. Following the launch of the MVCD program in 2010, three of our four business segments sell a points-based product offering, which permits us to sell vacation ownership products at most of our sales locations, including those where little or no weeks-based inventory remains available for sale. Because we no longer need specific resort-based inventory at each sales location, we expect to have fewer resorts under construction at any given time and expect to better leverage successful sales locations at completed resorts. We expect that this will allow us to maintain long-term sales locations and minimizes the need to develop and staff on-site sales locations at smaller projects in the future. We believe these points-based programs better position us to align our construction of real estate inventory with the pace of sales of vacation ownership products by slowing down or accelerating construction, as demand across our portfolio and market conditions dictate.

In connection with the spin-off, we have entered into two new revolving credit facilities: (1) a secured Revolving Corporate Credit Facility with a borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity and letters of credit, and (2) a secured Warehouse Credit Facility with a borrowing capacity of $300 million that will provide financing for the receivables we originate in connection with our sale of vacation ownership products. We also plan to continue to periodically securitize notes receivable that we originate in connection with our sale of vacation ownership products. However, to limit our reliance on the financial markets, we intend to increase or decrease financing propensity, as necessary, to align with our business strategies and cash flow needs.

At the time of the spin-off, we expect that the only significant debt on our Balance Sheet will consist of non-recourse debt related to past securitizations of our notes receivable and amounts drawn on the Warehouse Credit Facility pending completion of future securitizations. Our Balance Sheet will also include the preferred stock issued by our subsidiary, MVW US Holdings.

We have excess undeveloped land and excess built Luxury inventory. Given our strategies to match completed inventory with our sales pace and to pursue future “asset light” development opportunities, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. Under this plan, management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. If we are able to dispose of this excess land and built Luxury inventory, we will eliminate the associated carrying costs.

See Footnote No. 14, “Subsequent Events,” to our interim Combined Financial Statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in the third quarter 2011 as a result of our plans.

Cash from Operating Activities

In the first half of 2011, we generated $152 million of cash flows from operating activities, compared to $205 million in the first half of 2010. In 2010, we generated $383 million of cash flow from operating activities compared to $177 million in 2009 and an outflow of $392 million in 2008. Our primary sources of funds from operations are (1) cash sales and downpayments on financed sales, (2) proceeds from notes receivable securitizations, including cash received from our residual interests in the securitizations and related servicing fees (only prior to implementation of the new Consolidation Standard on the first day of 2010—see further discussion below), (3) cash from our financing operations, including principal and interest payments received on outstanding notes receivables and (4) net cash generated from our rental and resort management and other services operations. Outflows include spending for the development of new resorts and new phases of existing resorts as well as funding our working capital needs.

We minimize working capital needs through cash management, strict credit-granting policies, and aggressive collection efforts, and expect to continue these practices after the spin-off. We also expect to have borrowing capacity under our two new revolving credit facilities should we have additional cash needs.

We have greater working capital cash needs in the first half of each year, given the timing of annual maintenance fees on unsold inventory we pay to property owners' associations and certain annual compensation related outflows. In addition, our cash from operations varies due to the timing of our owners' repayment of notes receivable, the closing of sales contracts for vacation ownership products, the timing of note receivable securitizations, and cash outlays for real estate inventory development.

In addition to net income (loss) attributable to Marriott Vacations Worldwide and changes in working capital, the following operating activities are key drivers of our cash from operations:

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Notes receivable collections in excess of (less than) new mortgages	$ 51	$ 59	$ 91	$(145)	$(525)
Financially reportable sales (greater than) less than closed sales	(4)	15	62	24	125
Real estate inventory spending less than (in excess of) cost of sales	61	60	20	(4)	(315)
Securitization collections (net of repurchases)	—	—	—	349	283

See further discussion on significant changes in cash flow components below.

Notes receivable collections in excess of (less than new mortgages)

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Notes receivable collections (non-securitized notes)	$ 44	$ 55	$ 114	$ 153	$ 222
Notes receivable collections (securitized notes)	110	116	231	—	$ —
New notes receivable	(103)	(112)	(254)	(298)	(747)
Notes receivable collections in excess of (less than) new mortgages	$ 51	$ 59	$ 91	$(145)	$(525)

We include reportable financed sales in cash from operations when cash payments are received. Notes receivable collections includes principal from non-securitized notes receivable for all periods reported and, beginning in 2010, it also includes principal from securitized notes receivable due to the consolidation of our

previously securitized notes with the adoption of the new Consolidation Standard. Collections declined for all periods reported due to the declining notes receivable balance. New notes receivable declined for all periods reported due to lower vacation ownership sales volumes and lower financing propensities.

Financially reportable sales (greater than) less than closed sales

Financially reportable sales (greater than) less than closed sales reflects the difference between revenue recorded from the sale of vacation ownership products (a non-cash item) and cash received at the time the contract is closed (a cash item).

This item resulted in a cash outflow of $4 million in the first half of 2011 compared to a cash inflow of $15 million in the first half of 2010. The first half of 2011 was negatively impacted by the timing of closings on contract sales, while the first half of 2010 was favorably impacted by the notes receivable reserve adjustments, which reduced revenue in 2010, due to higher delinquency and default activity.

While this item resulted in a cash inflow for each of 2010, 2009 and 2008, individual years are impacted by the timing of revenue recognition (which is affected by percentage-of-completion accounting, downpayment requirements, notes receivable reserves, and other matters discussed above) as well as the timing of contract closings. The increase in 2010 compared to 2009 reflects lower revenues associated with $49 million of higher notes receivable reserve activity and $13 million of unfavorable revenue reportability, both of which are discussed further above, partially offset by lower contract closings in 2010. The decrease in 2009 compared to 2008 reflects higher revenues associated with $12 million of lower notes receivable reserve activity and $14 million of favorable revenue reportability, as well as approximately $75 million related to lower contract closings in 2009. The decline in contract closings was driven by an unusually high volume of closed contract sales in 2008 resulting from 2007 contracts that did not close until 2008.

Real estate inventory spending less than (in excess of) cost of sales

As the economy weakened in late 2008, we scaled back real estate inventory development efforts and better aligned spending with our projected sales pace. However, given existing construction commitments, it took time for these efforts to show positive results.

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	June 17, 2011	June 18, 2010	2010	2009	2008
Real estate inventory spending	$ (50)	$ (58)	$(214)	$(309)	$(743)
Real estate inventory costs	111	118	234	305	428
Real estate inventory spending less than (in excess of) cost of sales	$ 61	$ 60	$ 20	$ (4)	$(315)

We measure our real estate inventory capital efficiency by comparing the cash outflow for real estate inventory spending (a cash item) to the amount of real estate inventory costs charged to expense in our Combined Statements of Operations related to sales of vacation ownership products (a non-cash item).

Given the significant level of completed real estate inventory on hand, as well as the capital efficiency resulting from our planned launch of the MVCD program, our spending for real estate inventory decreased significantly over the last few years. While we were successful in better aligning inventory spending with sales pace in the first halves of 2011 and 2010, as well as for fiscal years 2010 and 2009, fiscal 2008 reflected a much higher level of spending based upon the growth projections at that time (prior to the economy weakening in late 2008). Given current inventory levels and the launch of the MVCD program, we expect our spending in the near term to be modest and, on a longer term basis, to remain in line with our projected sales pace. In addition, our 2010 real estate inventory spending included a $102 million payment for delivery of a turnkey project under a purchase agreement signed in 2006.

New Consolidation Standard

As a result of the adoption of the new Consolidation Standard on the first day of 2010, we no longer account for note receivable securitizations as sales. Accordingly, we did not recognize gains or losses on the 2010 notes receivable securitization nor do we expect to recognize gains or losses on future notes receivable securitizations. Additionally, we no longer record accretion due to the elimination of retained interests.

As part of our adoption of the new standard, we classify the following 2010 activities as "Financing Activities" in our Combined Statements of Cash Flows:

- Repayment on bonds payable associated with notes receivable securitizations, including note repurchases, as "repayment of debt related to securitizations"; and
- Proceeds on securitization of notes receivable as "Issuance of debt related to securitizations."

Also, as a result of the Consolidation Standard, we no longer have any cash flow activity related to retained interests or servicing assets.

Operating Cash Flow from Securitizations in 2009 and 2008

In March 2009, we completed a private placement of approximately $205 million of floating-rate Vacation Ownership Loan Backed Notes with a bank-administered commercial paper conduit. We contributed approximately $284 million of notes receivable originated in connection with the sale of vacation ownership products to a newly formed special purpose entity (the "2009-1 Trust"). The 2009-1 Trust simultaneously issued approximately $205 million of the 2009-1 Trust's notes. In connection with the private placement of notes receivable, we received proceeds of approximately $181 million, net of costs, and retained a $94 million interest in the special purpose entity, which included $81 million of notes we effectively owned after the transfer and $13 million related to the servicing assets and retained interest. We measured all retained interests at fair market value on the date of the transfer. We recorded the notes that we effectively owned after the transfer as notes receivable. In connection with this note sale, we recorded a $1 million loss, which we included in the "Financing" revenue line item in our Combined Statements of Operations.

In October 2009, we securitized a pool of approximately $380 million in vacation ownership notes receivables to a newly formed special purpose entity (the "2009-2 Trust"). Simultaneous with the securitization, investors purchased $317 million of 4.809 percent Vacation Ownership Loan Backed Notes from the 2009-2 Trust in a private placement. As part of this transaction, we paid off the notes that the 2009-1 Trust issued in March 2009 and reacquired approximately $234 million of vacation ownership notes receivable that were released from the 2009-1 Trust. We included approximately $218 million of these reacquired loans in October 2009 securitization. As consideration for our securitization of the vacation ownership notes receivable, we received cash proceeds of approximately $168 million and a subordinated retained interest in the 2009-2 Trust, through which we expect to realize the remaining value of the notes receivable over time. These cash proceeds are net of approximately $145 million paid to the commercial paper conduit to unwind the March 2009 transaction. In connection with this October 2009 note securitization, we recorded a $37 million gain, which we included in the "Financing" revenue line item in our Combined Statements of Operations.

In June 2008, we securitized to a newly formed special purpose entity (the "2008-1 Trust") $300 million of notes receivables. Simultaneously, the 2008-1 Trust issued $246 million of the 2008-1 Trust's notes. In connection with the securitization of notes receivable, we received net proceeds of $237 million. We retained interests with a fair value on the day of sale of $93 million. We recorded note sale gains totaling $16 million in 2008, which was net of a $12 million charge related to hedge ineffectiveness both of which we included in the "Financing" revenue line item in our Combined Statements of Operations.

Before the adoption of the new Consolidation Standard on the first day of fiscal year 2010, we had retained interests of $267 million at year-end 2009. Our servicing assets and retained interests, which we measured at year-end 2009 using Level 3 inputs in the fair value measurement hierarchy, accounted for 35 percent of the total

fair value of our financial assets at year-end 2009 that we were required to measure at fair value using the then applicable fair value measurement guidance. We treated the retained interests, including servicing assets, as trading securities under the provisions for accounting for certain investments in debt and equity securities, and accordingly, we recorded realized and unrealized gains or losses related to these assets in the "Financing" revenue line in our Combined Statements of Operations. See Footnote No. 1, "Summary of Significant Accounting Policies," of the Notes to our annual Combined Financial Statements for additional information on retained interests eliminated as part of the adoption of the new Consolidation Standard on the first day of 2010.

See Footnote No. 11, "Debt," of the Notes to our annual Combined Financial Statements for additional information on the failure of some securitized notes receivable pools to perform within established parameters and the resulting redirection of cash flows. In 2010, seven securitized notes receivable pools reached performance triggers in different months throughout the year as a result of increased defaults. As of year-end 2010, of the seven pools out of compliance during 2010, loan performance had improved sufficiently in six pools to cure the performance triggers, leaving one pool out of compliance. Approximately $2 million of cash flows in the first half of 2011, $6 million of cash flows in 2010 and $17 million of cash flows in 2009 were redirected as a result of reaching the performance triggers for those years. None of our pools experienced performance triggers in 2008, so no cash flow was redirected during that year.

For additional information on our note securitizations, including a discussion of the cash flows on securitized notes, see Footnote No. 3, "Asset Securitizations," of the Notes to our annual Combined Financial Statements. See also Footnote No. 1, "Summary of Significant Accounting Policies," and Footnote No. 15, "Variable Interest Entities," of the Notes to our annual Combined Financial Statements for the impact of adoption of the new Consolidation Standard.

Cash from Investing Activities

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Capital expenditures for property and equipment	$ (8)	$ (13)	$ (24)	$ (28)	$ (89)
Dispositions	1	—	46	1	—
Acquisition of equity method investee	—	—	—	—	(42)
Other	—	—	(1)	—	2
Net cash (used in) provided by investing activities	$ (7)	$ (13)	$ 21	$ (27)	$(129)

Capital expenditures for property and equipment

Capital expenditures for property and equipment relates to spending for technology development, buildings and equipment used at sales locations, and ancillary offerings at resorts such as food and beverage locations.

In the first half of 2011, capital expenditures for property and equipment of $8 million included $5 million for technology spending, all of which related to systems enhancements supporting the MVCD program, with the remaining spending of $3 million primarily for ancillary assets supporting normal business operations.

In the first half of 2010, capital expenditures for property and equipment of $13 million included $9 million for technology spending mainly to facilitate the launch of the MVCD program in 2010, with the remaining spending of $4 million to support normal business operations (*e.g.*, sales locations and ancillary assets).

In 2010, capital expenditures for property and equipment of $24 million included $16 million for technology spending, of which $14 million was to facilitate and support the launch of the MVCD program in 2010, and roughly $8 million of spending to support normal business operations (*e.g.*, sales locations and ancillary assets).

In 2009, capital expenditures for property and equipment of $28 million included $10 million for technology spending, of which $3 million was to facilitate the launch of the MVCD program in 2010, $9 million for sales locations, and the remaining spending primarily on other ancillary assets.

In 2008, capital expenditures for property and equipment of $89 million included $26 million for the purchase of an operating hotel we originally acquired for conversion into vacation ownership products for our Asia Pacific segment, $25 million for sales locations, $23 million on technology spending, and the remaining spending primarily for other ancillary assets.

Dispositions

Dispositions of property and assets generated cash proceeds of $1 million in the first half of 2011, $46 million in 2010, $1 million in 2009 and $0 in 2008. The $1 million disposition in the first half of 2011 related to the sale of a land parcel held in our Luxury segment. In 2010, we sold an operating hotel we originally acquired for conversion into vacation ownership products for our Asia Pacific segment for cash proceeds of $42 million and recorded a net gain of $21 million.

Acquisitions

In 2008 we incurred $42 million to acquire the remaining interest in a joint venture in our Luxury segment.

Cash from Financing Activities

	Twenty-four Weeks Ended		Fiscal Years		
($ in millions)	**June 17, 2011**	**June 18, 2010**	**2010**	**2009**	**2008**
Issuance of debt related to securitizations	$ —	$ —	$ 218	$ —	$—
Repayment of debt related to securitizations	(121)	(134)	(323)	—	—
Issuance of third party debt	—	—	—	—	41
Repayment of third party debt	(2)	(40)	(52)	(28)	(89)
Note advances	—	—	—	(32)	(52)
Note collections	—	—	—	6	14
Net transfers (to) from parent	(23)	(22)	(253)	(90)	606
Net cash provided by (used in) financing activities	$ (146)	$ (196)	$(410)	$(144)	$520

Issuance / repayments of debt related to securitizations

As a result of the adoption of the new Consolidation Standard on the first day of 2010, we reflected proceeds on securitization of notes receivable (shown as “Issuance of debt related to securitizations” above) and repayment on those bonds payable, including note repurchases (shown as “Repayment of debt related to securitizations” above) are reflected in “Cash from Financing Activities” beginning in 2010.

In October 2010, we exercised our option for the Term 2002 transaction to repurchase all outstanding collateral, payoff and redeem all outstanding bonds, and terminate the associated trust, which resulted in cash outflows of approximately $25 million.

In November 2010, we securitized a pool of approximately $229 million in mortgage notes to a newly formed special purpose entity (the “2010-1 Trust”), including $17 million repurchased from the Term 2002 transaction. Simultaneously with the securitization, investors purchased approximately $218 million in Vacation Ownership Loan Backed Notes from the 2010-1 Trust in a private placement in two classes: Class A Notes totaling approximately $195 million with an interest rate of 3.54 percent and Class B Notes totaling approximately $23 million with an interest rate of 4.52 percent. As consideration for our securitization of the notes receivable, we received cash proceeds of approximately $215 million, net of costs, and a subordinated retained interest in the 2010-1 Trust. Under the new Consolidation Standard, we accounted for this transaction as a sale in 2010 and we did not record a gain or loss.

We repaid $52 million, $28 million and $89 million in 2010, 2009 and 2008, respectively, related to borrowings that we used to finance the acquisitions of land and vacation ownership products in accordance with contractual terms. Third party borrowings in 2008 mainly included $24 million to finance the purchase of built units for our Asia Pacific segment and $16 million related to a construction loan issued by a consolidated joint venture.

Note advances and collections relate to monies advanced to and collected from an equity method investment. Please see Footnote No. 18, "Significant Investments," of the Notes to our annual Combined Financial Statements for more information.

The change in our net parent investment is the net transfers to and from Marriott International and is the sum of our operating, investing and financing activity, excluding net parent investment. Please see cash management described in Footnote No. 19, "Related Party Transactions," of the Notes to our annual Combined Financial Statements.

Contractual Obligations and Off-Balance Sheet Arrangements

The following table summarizes our contractual obligations as of the end of 2010:

		Payments Due by Period			
($ in millions)	Total	Less Than 1 Year	1–3 Years	3–5 Years	After 5 Years
Contractual Obligations					
Debt[1]	$1,164	$ 173	$ 328	$ 300	$ 363
Operating leases	98	23	31	8	36
Purchases obligations	11	8	2	1	—
Other long-term obligations	74	17	5		52
Total contractual obligations	$1,347	$ 221	$ 366	$ 309	$ 451

(1) Includes principal as well as interest payments

The preceding table does not reflect unrecognized tax benefits as of year-end 2010 of $333 million. As a large taxpayer, we are under continual audit by the IRS and other taxing authorities. Although we do not anticipate that those audits will have a significant impact on our unrecognized tax benefit balance during the next 52 weeks, it remains possible that our liability for unrecognized tax benefits could change over that time period. See Footnote No. 2, "Income Taxes," of the Notes to our annual Combined Financial Statements for additional information.

We have guarantees to certain lenders in connection with the provision of third-party financing for our vacation ownership sales and generally have a stated maximum amount of funding and a term of three to ten years. The terms of the guarantees require us to fund if the purchaser fails to pay under the terms of the note payable. We are then entitled to repossess the property and retain proceeds from reselling it. Our commitments under these guarantees diminish as principal payments are made by the purchase to the third-party lender and our performance is guaranteed by Marriott International. Our current exposure under such guarantees as of year-end 2010 in the Asia Pacific and Luxury segments is $24 million and $3 million, respectively, and the underlying debt to third-party lenders will mature between 2011 and 2020.

Additionally, related to an equity method investment, we have provided a project completion guarantee in favor of a lender as to which we have a remaining funding liability of $16 million. See Footnote No. 18, "Significant Investments," of the Notes to our annual Combined Financial Statements.

For additional information on these guarantees and the circumstances under which they were entered into, see the “Guarantees” caption within Footnote No. 10, “Contingencies and Commitments,” of the Notes to our annual Combined Financial Statements.

In the normal course of the management business, we enter into purchase commitments to manage the daily operating needs of resorts we manage for property owners’ associations. Since we are reimbursed from the cash flows of the resorts, these obligations have minimal impact on our net income and cash flow.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if: (1) it requires assumptions to be made that were uncertain at the time the estimate was made; and (2) changes in the estimate, or different estimates that could have been selected, could have a material effect on our combined results of operations or financial condition.

While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information presently available. Actual results may differ significantly. Additionally, changes in our assumptions, estimates or assessments as a result of unforeseen events or otherwise could have a material impact on our financial position or results of operations.

Please see Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our Combined Financial Statements for further information on accounting policies that we believe to be critical, including our policies on:

Revenue recognition for vacation ownership, including how we determine revenue recognition using the percentage-of-completion method of accounting;

Marriott Rewards customer loyalty program, Marriott International’s customer loyalty program that we historically participated in by offering points as incentives to vacation ownership purchasers, including how we determine the fair value of our redemption obligation to Marriott International;

Inventories, including how we evaluate the fair value of our vacation ownership inventory;

Valuation of property and equipment, including when we record impairment losses;

Loan loss reserves for vacation ownership notes receivable, including information on how we estimate reserves for losses;

Valuation of investments in ventures, including information on how we evaluate the fair value of investments in ventures and when we record impairment losses on investments in ventures;

Legal contingencies, including information on how we account for legal contingencies;

Income taxes, including information on how we determine our current year amounts payable or refundable, as well as our estimate of deferred tax assets and liabilities;

Retained interests, including how we estimated the fair value of retained interest prior to the adoption of the new Consolidation Standard on the first day of 2010.

Please see Footnote 19, “Related Party Transactions,” and Footnote No. 18, “Significant Investments,” of the Notes to our annual Combined Financial Statements for further information on transactions with related parties.

Other Matters

Inflation

Inflation has been moderate in recent years and has not had a significant impact on our businesses.

Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in interest rates, currency exchange rates, and debt prices. We manage our exposure to these risks by monitoring available financing alternatives, through pricing policies that may take into account currency exchange rates, and historically through Marriott International entering into derivative arrangements on our behalf. We will continue to evaluate our exposure to fluctuations in interest rates and currency rates and how to manage such exposure in the future when we are separated from Marriott International.

We have entered into a Warehouse Credit Facility under which we have the ability to sell to the lenders fixed-rate notes receivable we generate through the sales of vacation ownership products, which will provide variable rate financing to us. We plan to manage the interest rate risk of this facility by entering into derivatives such as swaps or caps, as are traditionally utilized in warehouse funding arrangements. We intend to securitize notes receivable in the asset backed securities market at least annually. We expect to secure fixed rate funding to match our fixed rate notes receivable. However, if we have floating rate debt in the future, we plan to hedge the interest rate risk using derivative instruments. Changes in interest rates may impact the fair value of our fixed rate long-term debt which at the date of spin will be only the non-recourse debt securitized by our notes receivable.

Marriott International has historically used derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, and other derivative instruments, as part of its overall strategy to manage our exposure to market risks associated with fluctuations in interest rates and currency exchange rates, including those that resulted from our operations. As a matter of policy, Marriott International only entered into transactions that they believed would be highly effective at offsetting the underlying risk, and they did not use derivatives for trading or speculative purposes.

Please see Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements for additional information associated with derivative instruments.

The following table sets forth the scheduled maturities and the total fair value as of the end of 2010 for our financial instruments that are impacted by market risks:

		Maturities by Period							
($ in millions)	Average Interest Rate	2011	2012	2013	2014	2015	Thereafter	Total Carrying Amount	Total Fair Thereafter
Assets—Maturities represents expected principal receipts, fair values represent assets.									
Notes receivable—non-securitized	11.8%	$ 55	$ 28	$ 24	$ 20	$ 19	$ 79	$ 225	$ 231
Notes receivable—securitized	13.1%	$ 118	$ 123	$ 130	$ 131	$ 126	$ 401	$ 1,029	$ 1,219
Fixed-rate notes receivable	9.0%	$ —	$ 20	$ —	$ —	$ —	$ —	$ 20	$ 20
Liabilities—Maturities represents expected principal payments, fair values represent liabilities.									
Non-recourse debt associated with securitized timeshare segment notes receivable	4.96%	$(126)	$(131)	$(138)	$(139)	$(134)	$ (349)	$(1,017)	$ (1,047)
Other debt	8.35%	$ (2)	$ —	$ —	$ —	$ —	$ (3)	$ (5)	$ (5)

MANAGEMENT

Our Executive Officers

The following table provides certain information as of August 31, 2011, about our executive officers, including employment history and any directorships held in public companies following the spin-off. The titles shown below are those that our executive officers will have immediately following the spin-off. Each executive officer is expected to serve from the date of his or her appointment until the earlier of his or her resignation or the appointment of his or her successor.

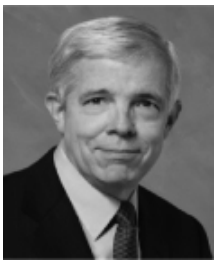
Name and Title	Age	Business Experience
Stephen P. Weisz President and Chief Executive Officer	60	Stephen P. Weisz has served as our President since 1996. Mr. Weisz joined Marriott International in 1972. Over his 39-year career with Marriott International, he has held a number of leadership positions in the Lodging division, including Regional Vice President of the Mid-Atlantic Region, Senior Vice President of Rooms Operations, and Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts & Suites in 1992 and Executive Vice President-Lodging Brands in 1994 before being named to lead our company in 1996. He currently serves as a Trustee of the American Resort Development Association and is on the Board of Trustees of Children's Miracle Network.
John E. Geller, Jr. Executive Vice President and Chief Financial Officer	44	John E. Geller, Jr. has served as our Executive Vice President and Chief Financial Officer since 2009. Mr. Geller joined Marriott International in 2005 as Senior Vice President and Chief Audit Executive and Information Security Officer. In 2008, he led finance and accounting for Marriott International's North American Lodging Operation's West region as Chief Financial Officer. Mr. Geller began his professional career at Arthur Andersen, where he was promoted to audit partner in its real estate and hospitality practice in 2000. During 2002 and 2003, he was an audit partner with Ernst & Young in its real estate and hospitality practice. Mr. Geller served as Chief Financial Officer at AutoStar Realty in 2004. Mr. Geller is a C.P.A.
Robert A. Miller Executive Vice President and Chief Operating Officer— International	65	Robert A. Miller has served as our Executive Vice President and Chief Operating Officer since 2007. Mr. Miller joined Marriott International in 1984 when it acquired American Resorts, Inc., which he co-founded in 1978 and where he served as President and Chief Operating Officer. Prior to assuming his current responsibilities he served as our Executive Vice President and General Manager from 1984 to 1988 and as our President from 1988 to 1996. Mr. Miller has overseen our Asia Pacific segment since 2006 and our Europe segment since 2009. Prior to founding American Resorts, Mr. Miller served as Chief Financial Officer of Fleetwing Corporation, a petroleum products distribution company, and on the tax and audit staff of Arthur Young & Company. He is a past Chairman of the American Resort Development Association and currently serves as a member of its Executive Committee and Board of Directors and as Chairman of the its International Foundation. He is a member of the Urban Land Institute and serves on the Board of Directors of Apartment Investment and Management Company, a real estate investment trust that engages in the acquisition, ownership, management, and redevelopment of apartment properties.

Name and Title	Age	Business Experience
R. Lee Cunningham Executive Vice President and Chief Operating Officer—North America and Caribbean	52	R. Lee Cunningham has served as our Executive Vice President—Chief Operating Officer since 2007. Mr. Cunningham joined Marriott International in 1982 and held various front office assignments at Marriott hotels in Atlanta, Scottsdale, Miami, Kansas City, and Washington, D.C. In 1990, he became one of Marriott International's first revenue management-focused associates and held roles at property, regional and corporate levels. Mr. Cunningham joined our company in 1997 as Vice President of Revenue Management and Owner Service Operations.
Brian E. Miller Executive Vice President— Sales, Marketing and Service Operations	48	Brian E. Miller has served as our Senior Vice President, Sales and Marketing and Service Operations since 2007. Mr. Miller joined our company in 1990 as National Director of Marketing Operations and has more than 25 years of vacation ownership marketing and sales expertise. In 1994, he was promoted to Vice President of Marketing. From 1995 to 2000, he served as Regional Vice President of Sales and Marketing for the Europe and Middle East region based in London. He left our company briefly, but returned in 2001 to assume the role of Senior Vice President, Sales and Marketing.
James H Hunter, IV Executive Vice President and General Counsel	49	James H Hunter, IV has served as our Senior Vice President and General Counsel since 2006. Mr. Hunter joined Marriott International in 1994 as Corporate Counsel and was promoted to Senior Counsel in 1996 and Assistant General Counsel in 1998. While at Marriott International, he held several leadership positions supporting development of Marriott's lodging brands in all regions worldwide. Prior to joining Marriott International, Mr. Hunter was an associate at the law firm of Davis, Graham & Stubbs in Washington, D.C.
Lizabeth Kane-Hanan Executive Vice President and Chief Growth and Inventory Officer	45	Lizabeth Kane-Hanan has served as our Senior Vice President, Resort Development and Planning, Inventory and Revenue Management and Product Innovation since 2009. Ms. Kane-Hanan joined our company in 2000, and has nearly 25 years of hospitality industry experience. Before joining Marriott International, she spent 14 years in public accounting and advisory firms, including Arthur Andersen and Horwath Hospitality, where she specialized in real estate strategic planning, acquisitions and development. At our company, she has held several leadership positions of increasing responsibility.
Theodorus J. Schavemaker Senior Vice President— Customer Experience and Resort Operations	45	Theodorus J. Schavemaker has served as our Senior Vice President, Customer Experience and Resort Operations since 2007. Mr. Schavemaker joined Marriott International in 1988 at the Marco Island Marriott as a restaurant supervisor. From 1990 to 1999, he worked in several Marriott hotels in Germany serving in both food and beverage and rooms operations roles. From 1999 to 2001, Mr. Schavemaker served as a project manager in Lodging Finance while working at Marriott International headquarters in Bethesda, Maryland. In late 2001, he joined our company as Regional Vice President, Customer Experience for resorts in Europe and Asia. He was named Vice President, Customer Experience in 2005 and assumed responsibility for day-to-day operations of our resorts worldwide.

Name and Title	Age	Business Experience
Dwight D. Smith Senior Vice President and Chief Information Officer	51	Dwight D. Smith has served as our Senior Vice President and Chief Information Officer since 2006. Mr. Smith joined Marriott International in 1988 as Senior Manager and then Director of Information Resources for Roy Rogers Restaurants. He worked from 1982 to 1988 at Andersen Consulting as Staff Consultant and then Consulting Manager in the advanced technology group. Mr. Smith moved to our corporate headquarters in 1990.
Michael E. Yonker Senior Vice President and Chief Human Resources Officer	52	Michael E. Yonker has served as our Chief Human Resources Officer since 2010. Mr. Yonker joined Marriott International in 1983 as Assistant Controller at the Lincolnshire Marriott Resort in Chicago. While at Marriott International, he held a number of positions with increasing responsibility in both the finance and human resources areas. From 1996 to 1998, he was the Area Director of Human Resources, supporting the mid-central region at Sodexho Marriott. He returned to Marriott International in 1998 as Vice President, Human Resources supporting the Midwest Region and was named our Vice President, Human Resources in 2007 supporting global operations.

Our Board of Directors

The following table provides certain information as of August 31, 2011 about the persons who will serve on our Board following the spin-off. The table contains each person's biography as well as the qualifications and experience each person would bring to our Board. As of the date of the distribution, our Board will consist of seven members, four of whom will meet applicable regulatory and exchange listing independence requirements.

Name and Title	Age	Business Experience and Director Qualifications
William J. Shaw Chairman 	65	William J. Shaw served as Vice Chairman of Marriott International from May 2009 to March 2011. He previously served as President and Chief Operating Officer of Marriott International from 1997 until May 2009. He joined Marriott International in 1974 and was named Corporate Controller in 1979 and a Corporate Vice President in 1982. In 1986, Mr. Shaw was named Senior Vice President-Finance and Treasurer of Marriott International. He became Chief Financial Officer and Executive Vice President of Marriott International in 1988. In 1992, he was named President of the Marriott Service Group. He also serves on the Board of Trustees of three funds in the American Family of Mutual Funds, the Board of Directors of the United Negro College Fund and the Board of Trustees of the University of Notre Dame. Mr. Shaw served as a Director of Marriott International from March 1997 through February 11, 2011. Mr. Shaw will bring to the Board his extensive management experience with Marriott International, his prominent status in the hospitality industry and a wealth of knowledge in dealing with financial and accounting matters as a result of his prior service as Marriott International's Chief Financial Officer.

Name and Title	Age	Business Experience and Director Qualifications
Raymond L. Gellein, Jr. Director	64	Mr. Gellein has served as non-executive Chairman of the Board of Strategic Hotel and Resorts, Inc., a REIT with a portfolio of luxury hotels, since August 2010, and he has served on the company's board since August 2009. He served as President of the Global Development Group of Starwood Hotels and Resorts Worldwide, Inc. from July 2006 through March 2008, and as Chairman and Chief Executive Officer of Starwood Vacation Ownership, Inc. from October 1999 to July 2006. Mr. Gellein also serves as a member of the board of trustees of the American Resort Development Association. Based on his current role with Strategic Hotel and Resorts and his past roles at Starwood, Mr. Gellein will bring to the Board his vast leadership experience in the hospitality and lodging industries with a particular expertise in the vacation ownership sector. As a past Chairman and current trustee of the American Resort Development Association, he also has extensive knowledge of the legislative and regulatory issues related to the vacation ownership business.
		
Deborah Marriott Harrison Director	54	Deborah Marriott Harrison has served as Senior Vice President of Government Affairs for Marriott International since June 2007. From May 2006 to June 2007, she served as Vice President of Government Affairs for Marriott International. As the daughter of Marriott International's Chairman and Chief Executive Officer and granddaughter of Marriott International's founders, she has extensive knowledge of Marriott International, its history, its culture and its mission. She has held several positions within Marriott since 1975, including accounting positions at Marriott headquarters and operations positions at the Key Bridge and Dallas Marriott hotels. She has been actively involved in serving the community through participation on various committees and boards, including the Mayo Clinic Leadership Council for the District of Columbia and the boards of the Bullis School, the D.C. College Access Program, and the J. Willard and Alice S. Marriott Foundation. Ms. Harrison has also served on the boards of several mental health organizations, including The National Institute of Mental Health Advisory Board, Depression and Related Affective Disorders Association, and the Center for the Advancement of Children's Mental Health in association with Columbia University. She is a graduate of Brigham Young University. Given her extensive involvement in governmental affairs, Ms. Harrison will provide very valuable counsel to the Board and senior management of the company, which operates in a heavily regulated industry at both the federal and state level. In addition, as the company continues to uphold the legacy of the Marriott name, it expects to benefit from her deep understanding of the founding principles and culture of Marriott International.
		

Name and Title	Age	Business Experience and Director Qualifications
Thomas J. Hutchison, III Director	70	Since October 2008, Mr. Hutchison has served as Chairman of Legacy Hotel Advisors, LLC and Legacy Healthcare Advisors, LLC, industry consulting firms for which he is the principal founder. From January 2000 through 2007, he served in various executive positions at CNL Financial Group, Inc., including as Chief Executive Officer of the public REITs, CNL Hotels & Resorts and CNL Retirement. Mr. Hutchison is also a director of Hersha Hospitality Trust, a publicly traded REIT. He also serves on the board of ClubCorp, Inc. and the U.S. Chamber of Commerce. Mr. Hutchison will bring to the Board his over 40 years of senior leadership experience in the lodging, hospitality, travel, and real estate development and finance industries.
		
Melquiades R. Martinez Director	64	Mr. Martinez has served as a regional Chairman of JPMorgan Chase & Co., an investment and financial services company, since July 2010. Prior to that, he was a partner in the law firm DLA Piper, LLC from September 2009. Mr. Martinez served as the U.S. Senator from Florida from January 2005 through September 2009. He also served as Chairman of the Republican Party from November 2006 through October 2007, as Secretary of the U.S. Department of Housing and Urban Development from 2001 to 2004, and as Mayor of Orange County, Florida from January 2001 to January 2004. In addition, Mr. Martinez is a director of Progress Energy, Inc., a publicly traded company, and serves on the boards of Habitat International, the Central Florida Commission on Homelessness and the Urban Land Institute. Mr. Martinez will provide our Board with the benefit of his vast experience in the public and private sector and his in-depth knowledge of and relationships with the Florida community, where our headquarters are located. The Board will also benefit from his legal experience and knowledge of the legislative and regulatory processes.
		
William W. McCarten Director	62	Mr. McCarten has served as non-executive Chairman of the Board of DiamondRock Hospitality Company, a lodging REIT, since September 2008. Prior to that he was Chief Executive Officer of DiamondRock from its inception in 2004. From 1979 through 2004, Mr. McCarten worked at Marriott International and its affiliated entities, where he held a number of executive positions, including President of the Services Group and President and Chief Executive Officer of HMSHost Corporation, a publicly traded company. Mr. McCarten is also a director of Cracker Barrel Old Country Store, Inc., a publicly traded company. Mr. McCarten will provide the Board with the benefit of his extensive experience in the hospitality industry and capital markets, including his service as chief executive officer of two publicly traded companies. He is a former certified public accountant who has strong familiarity with accounting and financial reporting matters.
		

Name and Title	Age	Business Experience and Director Qualifications
Stephen P. Weisz Director	60	See "Management—Our Executive Officers" for Mr. Weisz's biographical information. Mr. Weisz will bring to the Board the extensive lodging and vacation ownership industry expertise he has developed during his 39-year career with Marriott International, as well as corporate leadership experience from his service as our President since 1996 and his position as Trustee of the American Resort Development Association

Structure of the Board of Directors

Upon completion of the spin-off, our Board will be divided into three classes of directors that will be of equal size to the extent possible. The directors designated as Class I directors will have terms expiring at the first annual meeting of shareholders following the spin-off, the directors designated as Class II directors will have terms expiring at the second annual meeting of shareholders following the spin-off, and the directors designated as Class III directors will have terms expiring at the third annual meeting of shareholders following the spin-off. Beginning with the first annual meeting of shareholders following the spin-off, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. The Class I directors will include Raymond L. Gellein, Jr. and Thomas J. Hutchison, the Class II directors will include William W. McCarten and William J. Shaw, and the Class III directors will include Deborah M. Harrison, Melquiades R. Martinez and Stephen P. Weisz.

Governance Principles

Our Board expects to adopt Governance Principles that meet or exceed the rules of the NYSE. The full text of the Governance Principles will be posted on our website at www.marriottvacationsworldwide.com and will be available in print to any shareholder that requests it. We expect that our Governance Principles will establish the limit on the number of public company board memberships for our directors at three, including Marriott Vacations Worldwide, for directors who are chief executive officers of public companies and five for other directors.

Committees of Our Board

Following the spin-off, the standing committees of our Board will include an Audit Committee, a Compensation Policy Committee, and a Nominating and Corporate Governance Committee, each as further described below. Following our listing on the NYSE and in accordance with the transition provisions of the rules of the NYSE applicable to companies listing their securities in conjunction with a spin-off transaction, each of these committees will, by the date required by the rules of the NYSE, be composed exclusively of directors who are independent. Other committees may also be established by our Board from time to time.

Audit Committee. We expect our Board will select the directors who will serve as members of the Audit Committee, all of whom will be independent and at least one of whom will be a financial expert within the meaning of NYSE rules. The Audit Committee's responsibilities will include, among other things:

- Appointing, retaining, overseeing, and determining the compensation and services of our independent auditor.
- Pre-approving the terms of all audit services, and any permissible non-audit services, to be provided by our independent auditor.
- Overseeing the independent auditor's qualifications and independence, including considering whether any circumstance, including the performance of any permissible non-audit services, would impair the independence of our independent registered public accounting firm.

- Overseeing the accounting, reporting, and financial practices of Marriott Vacations Worldwide and its subsidiaries, including the integrity of our financial statements.
- Overseeing our internal control environment and compliance with legal and regulatory requirements.
- Overseeing the performance of our internal audit function and independent auditor.

The responsibilities of our Audit Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Audit Committee, will be more fully described in our Audit Committee charter. We will post the Audit Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it. By the date required by the transition provisions of the rules of the NYSE all members of the Audit Committee will be independent and financially literate. Further, at least one of the members of the Audit Committee will possess accounting or related financial management expertise within the meaning of the rules of the NYSE and qualify as an "audit committee financial expert" as defined under the applicable SEC rules.

Compensation Policy Committee. We expect our Board will select the directors who will serve as members of the Compensation Policy Committee, all of whom will be independent. The Compensation Policy Committee's responsibilities will include, among other things:

- Establishing the principles related to the compensation programs of Marriott Vacations Worldwide.
- Reviewing and recommending to the board policies and procedures relating to senior officers' compensation and employee benefit plans.
- Setting the annual compensation for the Chief Executive Officer, including salary, bonus and incentive and equity compensation, subject to approval by the board.
- Approving executive officer and senior management salary adjustments, bonus payments and stock awards.
- Reviewing and recommending to the board the annual compensation of non-employee directors' compensation.
- Evaluating any incentives or risks arising from or related to our compensation programs and plans and assessing whether the incentives and risks are appropriate.

The responsibilities of the Compensation Policy Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Compensation Policy Committee, will be more fully described in our Compensation Policy Committee charter. We will post the Compensation Policy Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it. Each member of the Compensation Policy Committee will be a non-employee director, and we expect that there will be no Compensation Policy Committee interlocks involving any of the projected members of the Compensation Policy Committee.

Nominating and Corporate Governance Committee. We expect our Board will select the directors who will serve as members of the Nominating and Corporate Governance Committee, all of whom will be independent. The Nominating and Corporate Governance Committee's responsibilities will include, among other things:

- Making recommendations to the board on corporate governance matters and updates to our Governance Principles.
- Reviewing qualifications of candidates for board membership.
- Advising the board on a range of matters affecting the board and its committees, including making recommendations about the qualifications of director candidates, selection of committee chairs, committee assignments and related matters affecting the functioning of the board.
- Reviewing our conflict of interest and related party transactions policies, and approving certain related party transactions as provided for in those policies.
- Resolving conflict of interest questions involving our directors and senior executive officers.

The responsibilities of the Nominating and Corporate Governance Committee, which we anticipate will be substantially similar to the responsibilities of Marriott International's Nominating and Corporate Governance Committee, will be more fully described in our Nominating and Corporate Governance Committee charter. We will post the Nominating and Corporate Governance Committee charter on our website at www.marriottvacationsworldwide.com, and we will provide it in print to any shareholder that requests it.

Director Independence

We expect that our Board, upon recommendation of our Nominating and Corporate Governance Committee, will formally determine the independence of our directors following the spin-off. We expect that our Board will determine that the following directors are independent: Raymond L. Gellein, Jr., Thomas J. Hutchison, III, Melquiades R. Martinez, and William W. McCarten.

Marriott International's Board considered which of the persons who will serve on our Board are independent under the rules of the NYSE, and recommended that our Board find the following directors are independent: Raymond L. Gellein, Thomas J. Hutchinson III, Melquiades R. Martinez and William W. McCarten. As part of this determination, Marriott International's Board considered the facts that Mr. Martinez is a regional Chairman of JPMorgan Chase & Co. and JPMorgan Chase Bank is the lead bank in the syndicate of banks in our Revolving Corporate Credit Facility.

We expect that our Board will determine the independence of directors annually based on a review by the directors and the Nominating and Corporate Governance Committee. In determining whether a director is independent, we expect that the Board will determine whether each director meets the objective standards for independence set forth in the rules of the NYSE.

Meetings of Independent Directors

We expect that we will require that the independent directors meet without management present at least twice a year. The Chairman of the Nominating and Corporate Governance Committee will preside at the meetings of the independent directors.

Risk Oversight

Our Board will be responsible for overseeing our processes for assessing and managing risk. We expect that the Board will consider our risk profile when reviewing our annual business plan and incorporate risk assessment into its decisions. In performing its oversight responsibilities, we expect that our Board will receive an annual risk assessment report from the Chief Financial Officer and discuss the most significant risks facing us.

We expect that our Board will delegate certain risk oversight functions to the Audit Committee. In accordance with NYSE requirements and as set forth in its charter, we expect that the Audit Committee periodically will review and discuss our business and financial risk management and risk assessment policies and procedures with senior management, the Company's independent auditor and the Chief Audit Executive. We expect that the Audit Committee will incorporate its risk assessment function into its regular reports to the Board.

In addition, we expect that the Compensation Policy Committee will review a risk assessment to determine whether the amount and components of compensation for our employees and the design of compensation programs may create incentives for excessive risk-taking by our employees.

Codes of Conduct

We expect that our Board will adopt a code of conduct similar to Marriott's Code of Ethics that will apply to all associates, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, and to each member of the Board.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our executive officers for whom compensation information is presented in the Summary Compensation Table below (the "Named Executive Officers" or "NEOs") are:

Stephen P. Weisz	President and Chief Executive Officer
John E. Geller, Jr.	Executive Vice President and Chief Financial Officer
Robert A. Miller[1]	Executive Vice President and Chief Operating Officer—International
R. Lee Cunningham[2]	Executive Vice President and Chief Operating Officer—North America and Caribbean
Brian E. Miller[1]	Executive Vice President—Sales, Marketing and Service Operations
James H Hunter, IV[1]	Executive Vice President and General Counsel

(1) Until the distribution date, Mr. Robert Miller serves as President, Marriott Leisure and Executive Vice President and Chief Operating Officer—International, Mr. Brian Miller serves as Senior Vice President—Sales, Marketing and Service Operations, and Mr. James Hunter serves as Senior Vice President and General Counsel.

(2) We are providing voluntary disclosure for Mr. Cunningham, Executive Vice President and Chief Operating Officer—North America and Caribbean, because of the significant contributions of that line of business to the financial results of Marriott Vacations Worldwide in 2010. For purposes of the Compensation Discussion and Analysis and other disclosures in this information statement, and unless otherwise noted, references to the Named Executive Officers or NEOs include Mr. Cunningham even though he should not be considered a named executive officer of Marriott Vacations Worldwide under the SEC's rules.

Prior to the spin-off, our business was owned by Marriott International and the NEOs were Marriott International employees. Therefore, our historical compensation strategy has been determined primarily by Marriott International's senior management ("Marriott Management") and the Compensation Policy Committee of Marriott International's board of directors (the "Marriott Compensation Policy Committee"), and the compensation elements and processes discussed in this Compensation Discussion and Analysis reflect Marriott International programs and processes. Following the spin-off, we will form our own Board compensation committee that will be responsible for approving and overseeing our executive compensation programs, which may differ from the compensation programs in place for 2010.

Philosophy

The following compensation principles approved by the Marriott Compensation Policy Committee formed the basis of our compensation philosophy prior to the spin-off. These policies reflect Marriott International's belief that strong and consistent leadership is the key to long-term success in the hospitality industry. Therefore, in designing and implementing the compensation program that applied to the NEOs, Marriott International emphasized the following three principles.

- Officers should be paid in a manner that contributes to long-term shareholder value. Therefore, equity compensation was a significant component of total pay opportunity for the NEOs.
- Compensation should be designed to motivate the NEOs to perform their duties in ways that would help achieve short- and long-term objectives. This was achieved by offering a mix of cash and non-cash elements of pay.
- The compensation program had to be competitive in order to attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice.

Role of Marriott Management, Marriott Compensation Policy Committee and the Compensation Consultant

For 2010, the Marriott Compensation Policy Committee and Marriott Management determined the compensation of the NEOs. Marriott International's Chairman and Chief Executive Officer, J.W. Marriott, Jr., and President and Chief Operating Officer, Arne M. Sorenson, made recommendations to the Marriott Compensation Policy Committee with respect to Mr. Weisz's compensation and, with input from Marriott International's Human Resources Department, Mr. Weisz and, in the case of Mr. Hunter, Marriott International's General Counsel, determined the compensation of the NEOs other than Mr. Weisz. The Marriott Compensation Policy Committee reviewed Mr. Weisz's total compensation package and approved each NEO's stock awards.

In designing and implementing compensation programs applicable to the NEOs, Marriott Management considered the advice and recommendations of the Marriott Compensation Policy Committee's independent compensation consultant, Pearl Meyer & Partners (the "Compensation Consultant") (see the discussion of the Compensation Consultant below).

2010 Compensation

Marriott Management did not set rigid, categorical guidelines or formulae to determine the elements and levels of compensation for the NEOs. Rather, they considered subjective factors such as leadership ability, individual performance, retention needs and future potential as part of Marriott International's management development and succession planning process. For Mr. Weisz's compensation, Marriott Management primarily considered market data (as described below) and the compensation of other division presidents. With respect to the other NEOs, although market data was a factor in establishing compensation levels generally for positions/titles company-wide, their compensation primarily was determined on the basis of internal pay equity considerations.

Base Salary

Individual base salaries for the NEOs were reviewed annually to determine whether base salary levels were commensurate with the officers' responsibilities (and, in the case of Mr. Weisz, the competitive market). For 2010, each of the NEOs received a 2.5% salary increase, effective three months after the usual effective date of mid-March (or, in the case of Mr. Weisz, the first day of the fiscal year). This increase was made in consideration of the continued uncertainty of the economy at that time and its impact on the hospitality industry and the fact that the NEOs did not receive regular salary increases in 2009 (other than Mr. Geller who received a salary increase in 2009 in connection with his promotion to Executive Vice President and Chief Financial Officer of our company). This increase was consistent with the increase for all eligible Marriott International management associates and with observed salary increases in the marketplace.

Annual Bonuses

For 2010, the NEOs participated in a management bonus plan ("Bonus Plan") which focused on financial, operational and human capital objectives. The Bonus Plan was designed to provide the NEOs with appropriate compensation incentives to achieve identified annual corporate, divisional and individual performance objectives. The potential awards under the Bonus Plan for 2010 are reported in dollars in the Grants of Plan-Based Awards for Fiscal Year 2010 table, and the actual award amounts earned under the Bonus Plan for 2010 are reported in dollars in the Summary Compensation Table following this Compensation Discussion and Analysis.

The respective weightings of the relevant performance measures and the aggregate target and actual payments for 2010 under the Bonus Plan are displayed in the table below. As reflected in the table, target awards ranged from 60% of salary to 40% of salary. The differences in the target award percentages were determined

primarily by considering internal factors, including pay equity with other officers, differences in responsibilities, significant promotions and future potential. The maximum awards ranged from 150% and 162.5% of the target award.

Name		Marriott Vacations Worldwide Operating Profit	Marriott Earnings Per Share	Individual Achievement	Marriott Vacations Worldwide Operating Profit Process	Customer Satisfaction (1)	Associate Engagement (2)	Owner & Franchise Relations	Total
Stephen P. Weisz	Weight of Total Award (%)	50	10	20	—	20	—	—	100
	Target Award as % of Salary	30	6	12	—	12	—	—	60
	Actual Payout as % of Salary	45	9	15	—	10.15	—	—	79.15
John E. Geller, Jr.	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	20	—	10	10	5	5	—	50
	Actual Payout as % of Salary	30	—	15	11.31	3.90	7.5	—	67.71
Robert A. Miller	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	20	—	10	10	5	5	—	50
	Actual Payout as % of Salary	30	—	13	15	2.97	7.5	—	68.47
R. Lee Cunningham	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	16	—	8	8	4	4	—	40
	Actual Payout as % of Salary	26	—	13	13	3.92	6.5	—	62.42
Brian E. Miller	Weight of Total Award (%)	40	—	20	20	10	10	—	100
	Target Award as % of Salary	16	—	8	8	4	4	—	40
	Actual Payout as % of Salary	26	—	11	8.24	3.12	6.5	—	54.86
James H Hunter, IV(3)	Weight of Total Award (%)	—	50	30	—	5	10	5	100
	Target Award as % of Salary	—	20	12	—	2	4	2	40
	Actual Payout as % of Salary	—	32.5	19.5	—	1.58	4	2	59.58

(1) Customer Satisfaction means, with respect to all of the NEOs other than Mr. Hunter, Marriott Vacations Worldwide Customer Satisfaction, and with respect to Mr. Hunter, Marriott Guest Satisfaction.
(2) Associate Engagement means, with respect to all of the NEOs other than Mr. Hunter, Marriott Vacations Worldwide Associate Engagement, and with respect to Mr. Hunter, Professional Services Associate Engagement.
(3) Mr. Hunter's bonus structure is different from the bonus structure for the other NEOs because Mr. Hunter reported to Marriott International's General Counsel and was compensated in accordance with programs that applied to Marriott International's legal department.

The Bonus Plan rewarded executives for achievement of pre-established financial objectives, including Marriott Vacations Worldwide's Operating Income performance and, for Mr. Weisz and Mr. Hunter, Marriott International's EPS performance. These performance measures were selected because they were important indicators of division profitability and, for Mr. Weisz as a corporate executive and Mr. Hunter, Marriott International profitability. The specific performance level percentages for the Marriott Vacations Worldwide Operating Income objective were set by Marriott Management with input from Mr. Weisz, and Mr. Weisz had discretion to adjust payouts for the other NEOs under the Marriott Vacations Worldwide Operating Income component after the financial results were determined. The specific performance level percentages for the Marriott EPS objective were set by the Marriott Compensation Policy Committee in consultation with the Compensation Consultant based on competitive market data as well as the Marriott Compensation Policy Committee's subjective judgment.

For all NEOs other than Mr. Hunter, Marriott Vacations Worldwide Operating Income was the most heavily weighted performance criteria. For the purpose of the Bonus Plan, Marriott Vacations Worldwide Operating Income was determined from Marriott International's financial statements, which were prepared under U.S. GAAP. Although the calculation of Marriott Vacations Worldwide Operating Income could be modified during the target-setting process for items that were not expected to have a direct impact on the business in the future, no such modifications were made for 2010. The Marriott Vacations Worldwide Operating Income target was set at $96,131,000, a level Marriott Management believed to be achievable but not certain to be met. For 2010, NEOs were eligible to receive the Marriott Vacations Worldwide Operating Income portion of the bonus based the following achievement levels:

Marriott Vacations Worldwide Operating Profit Achievement vs. Target	Bonus Award	Payout as % of Target
Below 85% or 90%(1)	No Bonus	0%
100%	Target Bonus	100%
125% and Above	Maximum Bonus	150 to 162.5%

(1) Mr. Weisz would not have received any bonus for this component if Marriott Vacations Worldwide Operating Income was below 85% of the target performance level, and the other NEOs would not have received any bonus for this component if Marriott Vacations Worldwide Operating Income was below 90% of the target performance level.

For Mr. Weisz and Mr. Hunter, an additional financial performance measure was Marriott EPS, calculated in accordance with GAAP, subject to any adjustments specified in the target-setting process (although no such adjustments were made for 2010). The Marriott EPS target for 2010 was set at $0.80, which the Marriott Compensation Policy Committee believed to be achievable but not certain to be met. For 2010, Mr. Weisz and Mr. Hunter were eligible to receive the Marriott EPS portion of the bonus based on the following achievement levels:

Marriott EPS Achievement vs. Target	Component Bonus Award	Payout as % of Target
Below 89%	No Bonus	0%
89%	Threshold Bonus	25%
100%	Target Bonus	100%
107% and Above	Maximum Bonus	150 to 162.5%

For both Marriott EPS and Marriott Vacations Worldwide Operating Income, if the achievement fell between two of the stated performance achievement levels (including for Marriott Vacations Worldwide Operating Income between 90% and 100% of target or, in the case of Mr. Weisz, between 85% and 100% of target), the payment for that portion of the bonus would have been interpolated between the corresponding bonus levels. For 2010, Marriott EPS as reported under GAAP was $1.21, which was 152% of the target achievement level and which exceeded the maximum achievement level, and Marriott Vacations Worldwide Operating Income was $120,744,000, which was 125.6% of the target achievement level and which exceeded the maximum achievement level. Consequently, for 2010, the NEOs received maximum payouts under these portions of the Bonus Plan.

In addition to the financial performance measures, the Bonus Plan for NEOs also included performance measures based on individual performance as well as measures of operational performance. These performance measures were evaluated subjectively and, like the Marriott EPS target and Marriott Vacations Worldwide Operating Income target, were intended to establish high standards, consistent with Marriott International's quality goals, which were achievable but not certain to be met. Marriott International believed that the following individual and operational performance measures were critical to achieving success within the hospitality and service industry. Payouts under these performance measures could have been zero, at target or maximum award levels or, in most cases, interpolated between zero, target and maximum.

- Individual Achievement: A different set of management objectives was established for each of the NEOs that was aligned to his unique responsibilities and role within Marriott Vacations Worldwide. The management objectives generally were difficult to accomplish and were among the core duties of the positions. Examples of the types of management objectives were:
  - Transition the North America vacation ownership business to a points-based product;
  - Maintain superior associate satisfaction levels; and
  - Continue development of a global Marriott International and Marriott Vacations Worldwide organizational blueprint that positions Marriott Vacations Worldwide and Marriott International for future growth.

  Payouts relating to management objectives were determined by the Marriott Compensation Policy Committee for Mr. Weisz, based upon the recommendation of Marriott International's Chairman and Chief Executive Officer and President and Chief Operating Officer. Payouts for the other NEOs were determined by Marriott International's Chairman and Chief Executive Officer based upon Mr. Weisz's recommendation or, in the case of Mr. Hunter, the recommendation of Marriott International's General Counsel. These assessments were developed through a rigorous and largely subjective assessment of

each NEO's qualitative performance across the management objectives for the year. Maximum or above target payouts typically occurred if the NEO's overall performance was viewed as superior. For 2010, each NEO achieved key individual objectives, including operational objectives such as the brand initiatives identified above.

- Operating Income Process: Assessment of Operating Income Process was based on achievement of Operating Income against budget for the NEO's area of responsibility, thus reflecting intra-segment contributions to the Marriott Vacations Worldwide segment at Marriott International. Achievement of 125% of the target resulted in a maximum component bonus payout; achievement of 100% of the target resulted in a target component bonus payout; and achievement of less than 90% of the target resulted in no component bonus payout. The annual goals were established, based upon the Marriott Vacations Worldwide internal budget, so as to be difficult to accomplish and not certain to be met. For 2010, performance results ranged from being between target and maximum to performance that corresponded with payouts at maximum.
- Customer/Guest Satisfaction: Assessment of Marriott Vacations Worldwide Customer Satisfaction for the NEOs other than Mr. Hunter was based on the results of Marriott Vacations Worldwide customer and guest satisfaction surveys developed by Marriott International. Different surveys are used for different aspects of Marriott Vacations Worldwide's business, such as Resort Operations Satisfaction, Sales and Marketing Satisfaction and Owner Services Satisfaction. These surveys address topics such as overall satisfaction, quality of service, and cleanliness of properties. Numerical ratings are assigned with the objective of assessing customers' and guests' overall satisfaction compared to the goal that is established at the beginning of each year. NEOs are evaluated based on survey responses for the business operations that they support: Messrs. Weisz, Geller, Cunningham and Robert Miller were evaluated based on consolidated results under the Resort Operations Satisfaction, Sales and Marketing Satisfaction and Owner Services Satisfaction surveys, weighted based on the number of respondents for each survey, and in the case of Messrs. Cunningham and Miller based only on responses for the geographic regions they support, while Mr. Brian Miller was evaluated based on results of the Sales and Marketing Satisfaction and Owner Services Satisfaction surveys. Achievement of 102% of the target resulted in a maximum component bonus payout; achievement of 100% of the target resulted in a target component bonus payout; and achievement of 95% of the target or less resulted in no payout under this component of the Bonus Plan. For 2010, the target was set at a level above the prior year's target and the prior year's actual survey result. Although 2010 survey results reported increased customer satisfaction, that increase was nevertheless below target, resulting in each of the NEOs receiving a payout on this bonus criteria that was between threshold and target, as reflected in the chart above. With respect to Mr. Hunter, assessment of Marriott Guest Satisfaction was based on the company-wide satisfaction survey results of Marriott International guests for the year compared to pre-established goals, which is based on a compilation of survey results from numerous satisfaction surveys across Marriott International's businesses. Achievement of 100.1% of the target resulted in a maximum component bonus payout; achievement of 99% of the target resulted in a target component bonus payout; and achievement of 97% of the target or less resulted in no payout under this component of the Bonus Plan. For 2010, survey results used to determine Mr. Hunter's bonus payout likewise reflected performance that corresponded with a payout between threshold and target.
- Marriott Vacations Worldwide Associate/Professional Services Associate Engagement: Assessment of Marriott Vacations Worldwide Associate Engagement for the NEOs other than Mr. Hunter was based on Marriott Vacations Worldwide's engagement assessment compared to the Hewitt benchmarks of "Consumer Services" and "Best Employer," adjusted for geographic differentials. For Mr. Hunter, assessment of Professional Services Associate Engagement was based on Marriott International's engagement assessment compared to the Hewitt benchmarks of "Professional Services" and "Best Employer," adjusted for geographic differentials. For 2010, performance results ranged from being between target and maximum to performance that corresponded with payouts at maximum.

- Owner/Franchisee Satisfaction: Assessment of Marriott Owner/Franchisee Satisfaction for Mr. Hunter was based on the satisfaction survey results. Marriott International retained a third party to survey the owners and franchisees of Marriott International's North American hotels on various aspects of their relationship with Marriott International. An overall relationship score of "unsatisfied" resulted in no component payout; a relationship score of "satisfied" resulted in a target component payout; and a relationship score of "very satisfied" resulted in a maximum component bonus payout. For 2010, the survey results reflected that owners were "satisfied." Consequently, for 2010, Mr. Hunter received a target payout for this bonus component.

Sales Incentive

Reflecting the significance of customer relations and sales functions to our business and industry practice, Mr. Brian Miller also has been compensated through a sales incentive arrangement ("Incentive Plan") under which he was compensated based on our achievement of pre-established cash flow goals. The amount of the sales incentive was established based upon Marriott International's assessment of competitive pay practices in the timeshare industry and marketing and sales functions.

Payouts under the Incentive Plan could have been zero, at target or maximum award levels or interpolated between zero, target and maximum. We report the potential payments under the Incentive Plan for 2010 in the Grants of Plan-Based Awards for Fiscal Year 2010 table, and we include the actual amount paid to Mr. Brian Miller under the Incentive Plan for 2010 in the "non-equity incentive plan compensation" column in the Summary Compensation Table following this Compensation Discussion and Analysis. The cash flow measures used for determining payouts under the Incentive Plan related to timeshare sales volume (representing 40% of the Incentive Plan amount), timeshare cost (representing 50% of the Incentive Plan amount) and Marketing & Sales corporate overhead (representing 10% of the Incentive Plan amount).

Stock Awards

Annual Stock Awards

Marriott International granted equity compensation awards to the NEOs under the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott Stock Plan") on an annual basis. With four-year vesting conditions and the opportunity for long-term capital appreciation, the annual stock awards helped Marriott International achieve its objectives of attracting and retaining key executive talent, linking NEO pay to long-term Marriott International performance and aligning the interests of NEOs with those of Marriott International's shareholders.

The NEOs' stock awards for 2010 were granted on February 16, 2010, in the form of restricted stock units ("RSUs") and stock-settled stock appreciation rights ("SARs"). For 2010, the NEOs were permitted to express a preference for receiving their equity awards as all RSUs, all stock-settled SARs or an equal mix (based on grant date fair value) of RSUs and SARs. Similar to options, stock-settled SARs deliver the appreciation in company stock over a period of time from the grant date until they are exercised. RSUs are a promise to deliver shares of company stock at stated future vesting dates. We believe that giving the officers this choice of awards has provided significant reward potential and flexibility to meet the officers' individual financial planning profiles and needs, thus enhancing the retention and competitive compensation elements of Marriott International's compensation programs.

Annual stock award values were set, in the case of Mr. Weisz, by reference to the 50th percentile of the external market data, and in the case of the other NEOs, based primarily on internal pay equity and position within Marriott International. For the NEOs other than Mr. Weisz, Marriott International used market data generally to determine stock award ranges for position levels company-wide and Mr. Weisz, and the Marriott

Human Resources Department recommended individual award amounts within these ranges. The annual stock award values for 2010 were as follows:

Name	2010 Stock Award Values
Stephen P. Weisz	$ 750,117
John E. Geller, Jr.	$ 325,068
Robert A. Miller	$ 250,035
R. Lee Cunningham	$ 225,142
Brian E. Miller	$ 215,056
James H Hunter, IV	$ 250,057

The actual award values for 2010 are also reported in the Grants of Plan-Based Awards for Fiscal Year 2010 Table below.

Equity Compensation Policies

Marriott International typically grants annual stock awards in February each year on the second business day following the release of its prior fiscal year annual earnings. This timing was designed to avoid the possibility that Marriott International could grant stock awards prior to the release of material, non-public information that could result in an increase or decrease in its stock price.

Marriott International adopted stock ownership guidelines applicable to each NEO in order to promote the long-term alignment of management with Marriott International shareholders. The guidelines required NEOs to own Marriott International stock with total value equal to a multiple of between one to two times (depending upon the executive's position) his individual salary grade midpoint within five years of becoming subject to the guidelines. Furthermore, consistent with the purposes of the stock ownership guidelines, Marriott International prohibits all associates from engaging in short sale transactions or entering into any other hedging or derivative transaction related to Marriott International stock or securities. In addition, as indicated in the discussion of Grants of Plan-Based Awards for Fiscal Year 2010 below, RSUs were not subject to accelerated vesting upon retirement. As a result, NEOs have a continuing stake in share price performance beyond the end of their employment.

Other Compensation

Perquisites

Marriott International offered limited perquisites that made up a very small portion of total compensation for NEOs. The value of these benefits was included in the executives' wages for tax purposes, and Marriott International did not provide tax gross-ups to the executives with respect to these benefits.

Other Benefits

NEOs also could participate in the same Marriott International plans and programs offered to all eligible Marriott International employees. Some of these benefits were paid for by the executives, such as 401(k) plan elective deferrals, vision coverage, long- and short-term disability, group life and accidental death and dismemberment insurance, and health care and dependent care spending accounts. Other benefits were paid for or subsidized by Marriott International, such as the 401(k) company match, certain group medical and dental benefits, $50,000 free life insurance, business travel accident insurance and tuition reimbursement.

Nonqualified Deferred Compensation Plan

In addition to a tax-qualified 401(k) plan, Marriott International offered the NEOs and other senior management the opportunity to supplement their retirement and other tax-deferred savings under the Marriott International, Inc. Executive Deferred Compensation Plan ("Marriott EDC"). The Marriott Compensation Policy

Committee believed that offering this plan to executives was critical to achieve the objectives of attracting and retaining talent, particularly because Marriott International did not offer a defined benefit pension plan.

Under the Marriott EDC, the NEOs could defer payment and income taxation of a portion of their salary, bonus and commissions. The plan also provided participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 5.5% for 2010), which is explained in the discussion of Nonqualified Deferred Compensation for Fiscal Year 2010 below.

Marriott International also could make an annual discretionary matching contribution to the NEOs' Marriott EDC accounts. The basic match was designed to make up for the approximate amount of matching contributions that would have been made under the Marriott International tax-qualified section 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the Internal Revenue Code. For 2010, the basic match for each NEO was 75% of the first 2% of eligible compensation (up to $245,000) deferred by the NEO under the Marriott EDC. The Marriott International board had discretion to adjust the actual match allocation based on fiscal year financial results.

Marriott International also could make an additional discretionary contribution to the NEOs' Marriott EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. There were no additional discretionary contributions for the NEOs in 2010.

Change in Control

Marriott International provided limited "double trigger" change in control arrangements to Messrs. Weisz, Geller and Robert Miller under the Marriott Stock Plan and the Marriott EDC. The Marriott Compensation Policy Committee believed that, with these carefully structured benefits, Marriott International's executives including Messrs. Weisz, Geller and Robert Miller would be better able to perform their duties with respect to any potential proposed corporate transaction without the influence of or distraction by concerns about how their personal employment or financial status would be affected. In addition, the Marriott Compensation Policy Committee believed that shareholder interests were protected and enhanced by providing greater certainty regarding executive pay obligations in the context of planning and negotiating any potential corporate transactions. The spin-off of Marriott Vacations Worldwide from Marriott International does not constitute a change in control under these arrangements.

Under these arrangements, in the event that Mr. Weisz, Mr. Geller or Mr. Robert Miller was terminated by Marriott International other than for the executive's misconduct or the executive resigned for good reason (as defined under the Marriott Stock Plan) during the period beginning three months before and ending 12 months following a change in control (as defined under the Marriott Stock Plan) of Marriott International, he would have immediately vested in all unvested equity awards and Marriott EDC balances. In those circumstances, all options and SARs would have been exercisable until the earlier of the original expiration date of the awards or twelve months (or if he were an approved retiree, five years) following the termination of employment, and all other stock awards would have been immediately distributed following the later of the executive's termination of employment or the change in control event. In addition, any cash incentive payments under the Bonus Plan would have been made immediately based on the target performance level, pro-rated based on the days worked during the year until the executive's date of termination in connection with or following a change in control.

Marriott International did not provide for tax gross-ups on these benefits, but instead limited the benefits to avoid adverse tax consequences to Marriott International. Specifically, each of these benefits was subject to a cut-back, so that the benefit would not have been provided to the extent it would have resulted in the loss of a tax deduction by Marriott International or imposition of excise taxes under the "golden parachute" excess parachute payment provisions of the Internal Revenue Code. The discussion of Payments Upon Termination or Change in Control below includes a table that reflects the year-end intrinsic value of unvested stock awards, unvested Marriott EDC accounts and cash incentive payments under the Bonus Plan that Messrs. Weisz, Geller and Robert Miller would have received due to an involuntary termination of employment in connection with a change in control.

Clawbacks

The Marriott Stock Plan included a clawback provision that applied to all equity awards issued to all of the NEOs. Under the Marriott Stock Plan, Marriott International had the authority to limit or eliminate the ability of any executive to exercise options and SARs or to receive a distribution of Marriott International stock under RSUs or other stock awards if the executive engaged in criminal or tortious conduct that was injurious to Marriott International or engaged in competition with Marriott International.

Compensation Consultant

As noted above, for 2010 the Marriott Compensation Policy Committee selected and retained the Compensation Consultant to assist the Marriott Compensation Policy Committee in establishing and implementing executive and director compensation strategy. The Compensation Consultant reported to and was instructed in its duties by the Marriott Compensation Policy Committee and carried out its responsibilities in coordination with Marriott International's Human Resources Department. Other than providing executive compensation survey data to Marriott International as described below, the Compensation Consultant performed no other services for Marriott International.

Marriott Vacations Worldwide has engaged Exequity to advise it on developing director and executive compensation programs. Following the spin-off, Exequity will report to our compensation committee and serve as the compensation committee's independent compensation consultant.

Market Data

In assessing external market pay practices for purposes of determining the compensation of Marriott International executives, including Mr. Weisz, Marriott International for 2010 utilized several broad, revenue-based surveys as well as a custom survey of companies specifically selected by the Marriott Compensation Policy Committee. The Marriott Compensation Policy Committee believed, based on the advice of the Compensation Consultant, that the companies participating in the revenue-based and custom surveys represented the broad pool of executive talent for which Marriott International competed.

In general, the revenue-based surveys used as a market reference included companies with median annual revenues ranging from $10 billion to $20 billion. For 2010, the surveys were the *CHiPS Executive & Senior Management Survey*, the *Hewitt Total Compensation Measurement: Executive Survey*, the *Towers Perrin CDB Executive Database*, and the *Fred Cook Survey of Long-Term Incentives*. Individual companies in the revenue-based surveys were not considered in connection with compensation decisions for the NEOs.

The custom survey consisted of consumer product and service companies selected by the Marriott Compensation Policy Committee on the basis of their similarity to Marriott International on a number of financial metrics and based on their shared emphasis on customer service and brand image. The metrics used for selecting the custom survey companies for 2010 included annual revenue, annual net income, total assets, market capitalization, enterprise value and number of employees. Other factors considered were performance measures such as revenue growth, net income growth, EPS growth, return on equity and total shareholder return. The Marriott Compensation Policy Committee did not apply specific weights to these factors. For 2010, the companies in the custom survey included:

American Express	General Mills	McDonalds	Wyndham
AMR	H.J. Heinz	Nordstrom	Yum! Brands
Colgate-Palmolive	J.C. Penney	Starwood Hotels & Resorts	
Darden Restaurants	Kellogg	Target	
FedEx	Kimberly-Clark	Walt Disney	

This list of custom survey companies remained unchanged from 2009 except that Anheuser-Busch was removed because it is no longer publicly traded and ceased to provide relevant survey information.

Following the spin-off, it is expected that Exequity will work with our compensation committee to develop a new custom survey group.

Tax Considerations

Internal Revenue Code Section 162(m) limits a public company's federal income tax deduction for compensation in excess of one million dollars paid to its Chief Executive Officer and the next three highest-paid executive officers (except for the Chief Financial Officer). However, performance-based compensation can be excluded from the limitation so long as it meets certain requirements. For 2010, none of the NEOs was within the group of Marriott International executive officers that was subject to the Section 162(m) limitations. Following the spin-off, we intend to consider the application of the Section 162(m) limits. However, we may determine that the value of preserving the ability to structure compensation programs to meet a variety of corporate objectives, such as equity dilution management, workforce planning, customer satisfaction and other non-financial business requirements, justifies the cost of potentially being unable to deduct a portion of the executives' compensation.

Risk Considerations

The Marriott Compensation Policy Committee reviewed a risk assessment to determine whether the amount and components of compensation for Marriott International employees, including Marriott Vacations Worldwide employees, and the design of compensation programs might create incentives for excessive risk-taking by Marriott International employees. The Marriott Compensation Policy Committee concluded that Marriott International's compensation programs encouraged its employees, including executives and officers, to remain focused on a balance of short- and long-term operational and financial goals, and thereby reduced the potential for actions that involved an excessive level of risk.

Employment Agreements

Marriott Vacations Worldwide does not have any employment agreements with the NEOs, except for a letter agreement with Mr. Geller, which is described under "Executive Compensation Tables—Potential Payments Upon Termination or Change in Control." We currently do not anticipate entering into any new employment agreements or other employment arrangements with the NEOs following the spin-off.

Executive Compensation Tables and Discussion

Historical Compensation of Executive Officers Prior to the Spin-Off

The following tables contain compensation information for our Chief Executive Officer and certain other executive officers who, based on compensation with Marriott International prior to the spin-off, were the most highly compensated executive officers for 2010 (the "NEOs"). For information on the current and past positions held by each named executive, see "Management—Our Executive Officers." All references in the following tables to stock options, SARs, RSUs and other equity awards relate to awards granted by Marriott International in regard to Marriott International's common stock. For information on the treatment of equity awards in the spin-off, see "The Spin-Off—Treatment of Share-Based Awards."

The amounts and forms of compensation reported below do not necessarily reflect the compensation these persons will receive following the spin-off, which could be higher or lower, because historical compensation was determined by Marriott Management and future compensation levels will be determined based on the compensation policies, programs and procedures to be established by our compensation committee.

Summary Compensation Table

The following Summary Compensation Table shows the compensation we paid in fiscal years 2008, 2009 and 2010 to our Chief Executive Officer, our Chief Financial Officer, and our other four most highly compensated executive officers as of December 31, 2010.

Name and Principal Position	Fiscal Year	Salary ($)[1]	Stock Awards ($)[2]	Option/ SAR Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[4]	All Other Compensation ($)[5]	Total ($)
Stephen P. Weisz	2010	551,144	375,053	375,064	436,231	11,737	12,580	1,761,809
President and Chief Executive Officer	2009	541,000	225,030	0	0	159	11,025	777,214
	2008	551,404	612,618	612,548	135,921	0	55,127	1,967,618
John E. Geller, Jr.	2010	329,375	325,068	0	222,987	1,055	12,499	890,984
Executive Vice President and Chief Financial	2009	325,000	0	0	162,500	207	169,104	656,811
Officer	2008	306,865	500,046	0	95,559	0	114,651	1,017,121
Robert A. Miller	2010	447,043	250,035	0	306,090	53,593	8,905	1,065,666
Executive Vice President and Chief Operating	2009	441,105	0	0	0	41,892	11,025	494,022
Officer—International	2008	446,325	250,059	250,006	170,474	0	41,005	1,157,869
R. Lee Cunningham	2010	292,637	112,602	112,540	182,664	4,229	9,580	714,252
Executive Vice President and Chief Operating	2009	288,750	0	0	42,591	44	11,025	342,410
Officer—North America and Caribbean	2008	291,659	100,064	300,314	76,852	0	19,827	788,716
Brian E. Miller	2010	566,033	215,056	0	585,026	3,834	12,232	1,382,181
Executive Vice President—Sales, Marketing	2009	538,125	0	0	130,801	68	11,025	680,019
and Service Operations	2008	565,144	337,625	112,530	197,484	0	32,821	1,245,604
James H Hunter, IV	2010	284,888	250,057	0	169,736	493	10,330	715,504
Executive Vice President and General	2009	265,000	0	0	66,250	3	11,025	342,278
Counsel	2008	265,176	0	500,161	79,261	0	10,350	854,948

(1) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under other employee benefit plans. Mr. Brian Miller's salary includes a fixed incentive component that is payable in accordance with regular payroll practices. For 2010, Mr. Brian Miller should have

received a fixed incentive of $279,335 but due to administrative error he instead received $300,000. His 2011 fixed incentive will be adjusted accordingly to recover the overpayment.

(2) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in the fiscal year as determined in accordance with accounting guidance for share-based payments, although we recognize the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in Footnote No. 14, "Share-Based Compensation," of the Notes to our annual Combined Financial Statements included in this information statement. For additional information on these awards, see the Grants of Plan-Based Awards for Fiscal Year 2010 table, below. For 2008, the values reported for the NEOs reflect their 2008 equity awards as well as their 2009 equity awards, which, together with other eligible Marriott International associates, the NEOs received in 2008 for retention purposes.

(3) This column reports all amounts earned under the Bonus Plan during the fiscal year, whether paid or deferred under other employee benefit plans. Amounts earned under the Bonus Plan during a fiscal year were paid in the first quarter of the following fiscal year. For Mr. Brian Miller, this column also reports amounts earned under the Incentive Plan, which for 2010 was $184,625.

(4) The values reported equal the excess of the return on amounts credited to accounts in the Marriott EDC at the annually designated rate of return over 120% of the applicable federal long-term rate, as discussed below under "Nonqualified Deferred Compensation for Fiscal Year 2010."

(5) All Other Compensation for 2010 consists of company contributions to Marriott International's qualified 401(k) plan and the Marriott EDC. The values in this column do not include perquisites and personal benefits that were less than $10,000 in aggregate for each NEO for the fiscal year. For 2008 and 2009, Mr. Geller received compensation in the amounts of $77,553 and $158,079, respectively, for relocation to California for a position with Marriott International, and subsequently to our company's headquarters in Orlando, Florida in connection with his promotion to Executive Vice President and Chief Financial Officer of our company.

Grants of Plan-Based Awards for Fiscal Year 2010

The following table shows the plan-based awards granted to the NEOs in 2010.

Name	Award Type	Grant Date[1]	Approval Date[1]	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[2] Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: (Number of Shares of Stock or Units) (#)	All Other Option/SAR Awards: (Number of Securities Underlying Options/ SARs) (#)	Exercise or Base Price ($/sh)	Closing Price on Grant Date ($/sh)[3]	Grant Date Fair Value of Stock/ Option/ SAR Awards ($)[4]
S. Weisz	Bonus Plan			66,137	330,686	496,030	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	13,896	—	—	—	375,053
	SAR	2/16/10	2/3/10	—	—	—	—	36,340	26.99	27.12	375,064
J. Geller	Bonus Plan			—	164,688	247,031	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	12,044	—	—	—	325,068
R. Miller	Bonus Plan			—	223,522	335,282	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	9,264	—	—	—	250,035
L. Cunningham	Bonus Plan			—	117,055	190,214	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	4,172	—	—	—	112,602
	SAR	2/16/10	2/3/10	—	—	—	—	10,904	26.99	27.12	112,540
B. Miller	Bonus Plan			—	340,424	553,188	—	—	—	—	—
	Incentive Plan			—	197,761	282,515	—	—	—	—	—
	RSU	2/16/10	2/3/10	—	—	—	7,968	—	—	—	215,056
J. Hunter	Bonus Plan			28,489	113,955	185,177	—	—	—	—	—
	SAR	2/16/10	2/3/10	—	—	—	—	24,228	26.99	27.12	250,057

(1) "Grant Date" applies to equity awards reported in the All Other Stock Awards and All Other Option/SAR Awards columns. The Marriott International board approved the annual stock awards at its February 3, 2010 meeting. Pursuant to Marriott International's equity compensation grant procedures described in the Compensation Discussion and Analysis, the grant date of these awards was February 16, 2010, the second trading day following the release of Marriott International's 2009 earnings.

(2) The amounts reported in these columns include potential payouts corresponding to the achievement of the target and maximum performance objectives under the Bonus Plan and Incentive Plan. For Mr. Weisz and Mr. Hunter, the amounts reported also include potential payouts corresponding to the achievement of the threshold performance objective under their respective components of the Bonus Plan.

(3) This column represents the final closing price of Marriott International's common stock on the NYSE on the date of grant. However, pursuant to Marriott International's equity compensation grant procedures, the awards were granted with an exercise or base price equal to the average of the high and low stock price of Marriott International's common stock on the NYSE on the date of grant.

(4) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in 2010 as determined in accordance with accounting standards for share-based payments, although we recognize the value of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in Footnote No. 14, "Share-Based Compensation," of the Notes to our annual Combined Financial Statements included in this information statement.

The Grants of Plan-Based Awards table reports the potential dollar value of cash incentive awards under the Bonus Plan and/or Incentive Plan at their target and maximum achievement levels (and, for Mr. Weisz and Mr. Hunter, threshold

achievement level), and the number and grant date fair value of RSUs and SARs granted under the Marriott Stock Plan to each NEO during the 2010 fiscal year. For cash incentives, this table reports the range of potential amounts that could have been earned by the executive under the Bonus Plan and/or Incentive Plan for 2010, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2010.

Annual SAR and RSU grants under the Marriott Stock Plan typically vested 25% on each of the first four anniversaries of their grant date, contingent on continued employment. Even when vested, an executive could lose the right to exercise or receive a distribution of any outstanding stock awards if the executive terminated employment due to serious misconduct as defined in the Marriott Stock Plan, or if it is determined that the executive had engaged in competition or had engaged in criminal conduct or other behavior that was actually or potentially harmful. RSU award vesting is not accelerated upon retirement. These awards do not accrue or pay cash dividends and do not bear voting rights until they vest (in the case of RSUs) or are exercised (in the case of SARs) and shares are issued to the grantee.

Outstanding Equity Awards at 2010 Fiscal Year-End

The following table shows information about outstanding options, SARs and RSUs on Marriott International common stock as of December 31, 2010, Marriott Vacations Worldwide's fiscal year-end. The Intrinsic Value and Market Value are based on the closing price of Marriott International's common stock on the NYSE on December 31, 2010, the last trading day of the fiscal year, which was $41.54. For information on the treatment of equity awards in the spin-off, see "The Spin-Off—Treatment of Share-Based Awards."

			Option/SAR Awards						Stock Awards	
Name	Grant Date	Award Type	Number of Securities Underlying Unexercised Options/SARs Exercisable/ Unexercisable (#)		Option/ SAR Exercise Price ($)	Option/SAR Expiration Date	Option/SAR Intrinsic Value ($) Exercisable/ Unexercisable		Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
S. Weisz	2/6/03	Options	50,450	—	15.11	2/6/2013	1,333,646	—	—	—
	2/5/04	Options	62,600	—	22.81	2/5/2014	1,172,498	—	—	—
	2/10/05	Options	24,600	—	32.16	2/10/2015	230,748	—	—	—
	2/19/08	SARs	10,698	10,698(1)	35.54	2/19/2018	64,188	64,188	—	—
	8/7/08	SARs	8,131	24,393(1)	27.46	8/7/2018	114,484	343,453	—	—
	2/16/10	SARs	—	36,340(1)	26.99	2/16/2020	—	528,747	—	—
		RSUs	—	—	—	—	—	—	34,877(2)	1,448,791
J. Geller		RSUs	—	—	—	—	—	—	25,632(3)	1,064,753
R. Miller	2/13/06	SARs	8,584	—	34.47	2/13/2016	60,732	—	—	—
	8/7/08	SARs	6,023	18,069(1)	27.46	8/7/2018	84,804	254,412	—	—
		RSUs	—	—	—	—	—	—	13,930(4)	578,652
L. Cunningham	2/6/03	Options	13,500	—	15.11	2/6/2013	356,873	—	—	—
	2/19/08	SARs	7,790	7,790(1)	35.54	2/19/2018	46,740	46,740	—	—
	8/7/08	SARs	2,410	7,230(1)	27.46	8/7/2018	33,933	101,798	—	—
	2/16/10	SARs	—	10,904(1)	26.99	2/16/2020	—	158,653	—	—
		RSUs	—	—	—	—	—	—	9,745(5)	404,807
B. Miller	8/7/08	SARs	2,711	8,133(1)	27.46	8/7/2018	38,171	114,513	—	—
		RSUs	—	—	—	—	—	—	15,000(6)	623,100
J. Hunter	11/6/97	Options	2,864	—	15.52	11/6/2012	74,526	—	—	—
	11/6/97	Options	2,864	—	15.27	11/6/2012	75,242	—	—	—
	11/5/98	Options	16,080	—	14.11	11/5/2013	441,084	—	—	—
	11/4/99	Options	11,000	—	16.58	11/4/2014	274,580	—	—	—
	2/12/07	SARs	2,994	998(1)	49.03	2/12/2017	—	—	—	—
	2/19/08	SARs	9,730	9,730(1)	35.54	2/19/2018	58,380	58,380	—	—
	8/7/08	SARs	6,023	18,069(1)	27.46	8/7/2018	84,804	254,412	—	—
	2/16/10	SARs	—	24,228(1)	26.99	2/16/2020	—	352,517	—	—
		RSUs	—	—	—	—	—	—	3,443(7)	143,022

(1) SARs are exercisable in 25% annual increments beginning one year from the grant date.
(2) 212 RSUs vest on January 2, 2011; 11,287 RSUs vest on February 15, 2011; 4,875 RSUs vest on May 15, 2011; 8,482 RSUs vest on February 15, 2012; 6,547 RSUs vest on February 15, 2013; and 3,474 RSUs vest on February 15, 2014.
(3) 9,132 RSUs vest on February 15, 2011; 1,209 RSUs vest on November 15, 2011; 6,239 RSUs vest on February 15, 2012; 1,209 RSUs vest on November 15, 2012; 4,832 RSUs vest on February 15, 2013; and 3,011 RSUs vest on February 15, 2014.
(4) 5,223 RSUs vest on February 15, 2011; 4,075 RSUs vest on February 15, 2012; 2,316 RSUs vest on February 15, 2013; and 2,316 RSUs vest on February 15, 2014.
(5) 49 RSUs vest on January 2, 2011; 2,745 RSUs vest on February 15, 2011; 1,000 RSUs vest on August 15, 2011; 1,954 RSUs vest on February 15, 2012; 1,000 RSUs vest on August 15, 2012; 1,954 RSUs vest on February 15, 2013; and 1,043 RSUs vest on February 15, 2014.
(6) 5,391 RSUs vest on February 15, 2011; 4,600 RSUs vest on February 15, 2012; 3,017 RSUs vest on February 15, 2013; and 1,992 RSUs vest on February 15, 2014.
(7) 60 RSUs vest on January 2, 2011; 1,883 RSUs vest on February 15, 2011; and 1,500 RSUs vest on February 15, 2012.

Option Exercises and Stock Vested During Fiscal Year 2010

The following table shows information about option and SAR exercises and vesting of RSUs during fiscal year 2010. All references in the following table relate to Marriott International common stock.

	Option/SAR Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)[1]	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)[2]
S. Weisz	25,000	577,250	17,330	505,206
J. Geller	—	—	8,600	246,175
R. Miller	54,400	840,887	3,725	100,538
L. Cunningham	33,022	680,371	3,950	113,161
B. Miller	—	—	4,543	122,616
J. Hunter	38,932	894,526	2,711	73,229

(1) The value realized upon exercise is based on the current trading price at the time of exercise.
(2) The value realized upon vesting is based on the average of the high and low stock price on the vesting date.

Nonqualified Deferred Compensation for Fiscal Year 2010

The following table discloses contributions, earnings, distributions and balances under the Marriott EDC for the 2010 fiscal year.

Name	Executive Contributions in Last FY ($)[1]	Company Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)[2]	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($)[3]
S. Weisz	11,023	—	74,732	—	1,442,762
J. Geller	20,016	—	6,565	—	133,356
R. Miller	—	—	341,727	—	6,572,692
L. Cunningham	12,241	—	26,888	—	521,025
B. Miller	22,676	—	24,262	—	475,970
J. Hunter	5,810	—	3,084	—	62,214

(1) The amounts in this column consist of elective deferrals by the NEOs of salary for the 2010 fiscal year under the Marriott EDC. All of these amounts are attributable to 2010 salary that is reported in the Summary Compensation Table.
(2) The amounts in this column reflect aggregate notional earnings during 2010 of each NEO's account in the Marriott EDC. Such earnings are reported in the Summary Compensation Table only to the extent that they were credited at a rate of interest in excess of 120% of the applicable federal long-term rate. The following table indicates the portion of each executive's aggregate earnings during 2010 that is reported in the Summary Compensation Table.

Name	Amounts Included in the Summary Compensation Table for 2010 ($)
S. Weisz	11,737
J. Geller	1,055
R. Miller	53,593
L. Cunningham	4,229
B. Miller	3,834
J. Hunter	493

(3) This column includes amounts in each NEO's total Marriott EDC account balance as of the last day of the 2010 fiscal year.

Under the Marriott EDC, participants were eligible to defer the receipt of up to 80% of their salary, bonus and/or commissions. Such amounts were immediately vested. In addition, the NEOs could have received a discretionary match which, for years commencing with 2009, was vested when made. A discretionary match made for any year prior to 2009 vested 25% per year for each year that the executive remained employed by Marriott International following the date the company match was allocated to the executive's plan account, or if sooner, in full upon approved retirement, death or disability. For 2010, no discretionary match was offered. In addition, no additional discretionary company contribution was made for 2010.

For 2010, Marriott International credited participant plan accounts with a rate of return determined by Marriott International. The rate of return was set at 5.5% for 2010, determined largely based on Marriott International's estimated long-term cost of borrowing. To the extent that this rate exceeds 120% of the applicable federal long-term rate, the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

Executives could have received a distribution of the vested portion of their Marriott EDC accounts upon termination of employment (including retirement or disability) or, in the case of deferrals by the executive (and related earnings), upon a specified future date while still employed (an "in-service distribution"), as elected by the executive. Each year's deferrals could have had a separate distribution election. Distributions payable upon termination of employment could have been elected as (i) a lump sum cash payment; (ii) a series of annual cash installments payable over a designated term not to exceed twenty years; or (iii) five annual cash payments beginning on the sixth January following termination of employment. In-service distributions could have been elected by the executive as a single lump sum cash payment or annual cash payments over a term of one to five years, in either case beginning not earlier than the third calendar year following the calendar year of the deferral. However, in the case of amounts of $10,000 or less, or when no election regarding the form of distribution was made, the distribution would have been made in a lump sum. If the executive was a "specified employee" for purposes of Section 409A of the Internal Revenue Code, any distribution payable on account of termination of employment would not have occurred until after six months following termination of employment. During 2010, Messrs. Weisz, Geller and Robert Miller were specified employees. The spin-off of Marriott Vacations Worldwide from Marriott International does not by itself trigger a distribution upon termination of employment under the EDC.

Potential Payments Upon Termination or Change in Control

The following information relates to arrangements maintained by Marriott International applicable to the NEOs as of December 31, 2010, and benefits that would have been paid or payable had a change in control occurred and/or a NEO terminated employment with Marriott International as of such date.

Upon retirement or permanent disability (as defined in the pertinent plan), a NEO could continue to vest in and receive distributions under outstanding stock awards (with the exception of certain supplemental RSU awards granted after 2005) for the remainder of their vesting period; could exercise options and SARs for up to five years in accordance with the awards' original terms; and could immediately vest in the unvested portion of his Marriott EDC account. However, annual stock awards granted after 2005 provided that if the executive retired within one year after the grant date, the executive forfeited a portion of the stock award proportional to the number of days remaining within that one-year period. For these purposes, retirement meant a termination of employment with retirement approval of the Marriott Compensation Policy Committee by an executive who had attained age 55 with 10 years of service, or, for the Marriott EDC and for Marriott Stock Plan annual stock awards granted before 2006, had attained 20 years of service. In all cases, however, the Marriott Compensation Policy Committee or its designee had the authority to revoke approved retiree status if an executive terminated employment for serious misconduct or was subsequently found to have engaged in competition or engaged in criminal conduct or other behavior that was actually or potentially harmful to Marriott International. A NEO who died as an employee or approved retiree immediately vested in his Marriott EDC account, options/SARs and

other stock awards. These provisions were developed based on an analysis of external market data. As of December 31, 2010, Messrs. Weisz and Robert Miller met the age and service conditions for retirement eligibility.

Under the Marriott Stock Plan, in the event of certain transactions involving a capital restructuring, reorganization or liquidation of Marriott International or similar event as defined in the plan, Marriott International or its successor in its discretion could have provided substitute equity awards under the Marriott Stock Plan or, if in the event no similar equity awards were available, an equivalent value as determined at that time would have been credited to each NEO's account in the Marriott EDC, provided that such action did not enlarge or diminish the value and rights under the awards. If Marriott International or its successor did not substitute equity awards or credit the Marriott EDC accounts, Marriott International or its successor would have provided for the awards to be exercised, distributed, canceled or exchanged for value. The intrinsic values of the vested and unvested options/SARs and unvested stock awards as of the last day of the fiscal year are indicated for each NEO in the Outstanding Equity Awards at 2010 Fiscal Year-End table.

In addition, in the event that Mr. Weisz's, Mr. Geller's or Mr. Robert Miller's employment was terminated by Marriott International other than for the executive's misconduct or the executive resigned for good reason (as defined under the Marriott Stock Plan) beginning three months before and ending twelve months following a change in control of Marriott International, he would have become fully vested in all unvested equity awards under the Marriott Stock Plan and unvested balances in the Marriott EDC. In those circumstances, all options and SARs would have been exercisable until the earlier of the original expiration date of the awards or 12 months (or five years if he were an approved retiree) following the termination of employment, and all other stock awards would have been immediately distributed following the later of the termination of employment or the change in control event. In addition, any cash incentive payments under the Bonus Plan would have been made immediately based on the target performance level, pro-rated based on the days worked during the year until the NEO's termination of employment. The spin-off of Marriott Vacations Worldwide from Marriott International does not constitute a change in control under these arrangements.

Under a November 4, 2008 letter agreement, if during the first five years of Mr. Geller's employment with our company, (a) Mr. Geller's position ceases to be with Marriott International as a result of Marriott's disposition of or similar transaction involving our company, (b) a comparable position is not available within Marriott International, and (c) Mr. Geller's employment is involuntarily terminated other than for cause ("Other Qualifying Termination"), Mr. Geller would be entitled to receive from Marriott International a lump sum cash payment equal to his annual salary and his target bonus (50% of eligible earnings) under the Bonus Plan; provided, however, that the total payment could not have exceeded $490,000. The letter agreement also provided that during the first two years of Mr. Geller's employment with our company, Mr. Geller's compensation would be consistent with other Marriott International executives in similar roles.

The table below reflects the intrinsic value of unvested stock awards, unvested Marriott EDC accounts and incentive payments under the Bonus Plan and Incentive Plan that each NEO would have received upon retirement, disability, death, or involuntary termination of employment in connection with a change in control as of December 31, 2010 (based on Marriott International's fiscal year-end closing stock price of $41.54).

Name	Plan	Retirement ($)	Disability ($)	Death ($)	Change in Control and Involuntary Termination ($)
S. Weisz	Marriott EDC	64,706	64,706	64,706	64,706
	Marriott Stock Plan	2,040,257	2,385,179	2,385,179	2,385,179
	Target Annual Bonus	—	330,686	330,686	330,686
J. Geller	Marriott EDC	—	23,795	23,795	23,795
	Marriott Stock Plan	—	1,064,753	1,064,753	1,064,753
	Target Annual Bonus	—	164,688	164,688	164,688
R. Miller	Marriott EDC	42,926	42,926	42,926	42,926
	Marriott Stock Plan	783,511	833,064	833,064	833,064
	Target Annual Bonus	—	223,522	223,522	223,522
L. Cunningham	Marriott EDC	—	16,067	16,067	—
	Marriott Stock Plan	—	711,999	711,999	—
	Target Annual Bonus	—	117,055	117,055	—
B. Miller	Marriott EDC	—	37,484	37,484	—
	Marriott Stock Plan	—	737,613	737,613	—
	Target Annual Bonus	—	340,424	340,424	—
	Target Annual Incentive	—	197,761	197,761	—
J. Hunter	Marriott EDC	—	—	—	—
	Marriott Stock Plan	—	808,331	808,331	—
	Target Annual Bonus	—	113,955	113,955	—

The value of the payment that Mr. Geller would have received under the letter agreement upon an Other Qualifying Termination as of December 31, 2010 would have been $490,000.

The benefits reported in the table and narrative above are in addition to benefits available prior to the occurrence of any termination of employment, including benefits available under then-exercisable SARs and options and vested Marriott EDC balances, and benefits available generally to salaried employees such as benefits under Marriott International's 401(k) plan, group medical and dental plans, life and accidental death insurance plans, disability programs, health and dependent care spending accounts, and accrued paid time off.

Director Compensation

Following the spin-off, director compensation will be determined by our Board with the assistance of its compensation committee. We anticipate that such compensation will consist of an annual retainer, an annual equity award, annual fees for serving as a committee chair and other types of compensation as determined by the Board from time to time.

The only Marriott International director in 2010 who is expected to be a non-employee director of Marriott Vacations Worldwide is William J. Shaw. However, because Mr. Shaw did not receive compensation for his services as a Marriott International director, no director compensation for 2010 is disclosed in this information statement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Marriott International Related to the Spin-Off

This section of the information statement summarizes our material agreements with Marriott International that will govern the ongoing relationships between the two companies after the spin-off and are intended, among other things, to provide for an orderly transition to our status as an independent, publicly owned company. We and Marriott International will enter into agreements under which we will each provide to the other certain services and rights following the spin-off, and we and Marriott International will indemnify each other against certain liabilities arising from our respective businesses. After the spin-off, we may enter into additional or modified agreements, arrangements or transactions with Marriott International, which will be negotiated at arm's length. Following the spin-off, we and Marriott International will operate independently, and neither will have any ownership interest in the other.

The following summary of the terms of the material agreements we will enter into with Marriott International is qualified in its entirety by reference to the full text of the applicable agreements.

Separation and Distribution Agreement

We will enter into a Separation and Distribution Agreement with Marriott International before our common stock is distributed to Marriott International shareholders. That agreement will set forth the principal actions to be taken in connection with our separation from Marriott International, including the internal reorganization. It will also set forth other agreements that govern certain aspects of our relationship with Marriott International following the spin-off.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement will identify certain assets to be transferred and liabilities to be assumed in advance of our separation from Marriott International so that each company retains the assets of, and the liabilities associated with, its respective businesses. The Separation and Distribution Agreement will require the parties to cooperate with each other to complete these transfers or assumptions of assets and liabilities. If any transfer of assets or assumption of liabilities is not consummated as of the distribution, then, until the transfer or assumption can be completed, each party will take such actions as are reasonably requested by the other party in order to place such party in the same position as if such asset or liability had been transferred or assumed.

Settlement of Certain Obligations. The Separation and Distribution Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations in existence as of the distribution date between us and Marriott International. Effective on the distribution date, all agreements, arrangements, commitments and understandings between us and our subsidiaries, on the one hand, and Marriott International and its other subsidiaries, on the other hand, will terminate, except certain agreements and arrangements that are intended to survive the distribution.

Representations and Warranties. In general, neither we nor Marriott International will make any representations or warranties about any assets transferred or liabilities assumed; any third-party or governmental consents, waivers or approvals that may be required in connection with such transfers or assumptions; the value of or absence of encumbrances on any assets transferred; the absence of any defenses, rights of setoff or counterclaims relating to any claim of either party; or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement or in any ancillary agreement, all assets will be transferred on an "as is," "where is" basis.

The Distribution. The Separation and Distribution Agreement will govern the rights and obligations of the parties regarding the proposed distribution. Prior to the distribution, we will increase the number of our issued and outstanding shares to the number of shares of our common stock distributable in the distribution. Marriott International will cause its agent to distribute all such shares to Marriott International shareholders who hold Marriott International shares as of the record date.

Conditions. The Separation and Distribution Agreement will provide that the distribution is subject to several conditions that must be satisfied or waived by the Marriott International board of directors in its sole discretion. For further information on these conditions, see "The Spin-Off—Conditions to the Spin-Off." Marriott International may, in its sole discretion, determine the record date, the distribution date and the terms of the distribution and may at any time prior to the completion of the distribution decide to abandon or modify the distribution.

Termination. The Separation and Distribution Agreement will provide that it may be terminated by Marriott International at any time prior to the distribution date. Following the distribution, the Separation and Distribution Agreement can only be amended by a written agreement signed by us and Marriott International.

Release of Claims. We and Marriott International will agree to broad releases under which we will each release the other and its wholly owned subsidiaries and affiliates, successors and assigns and their respective shareholders, directors, officers, members, agents and employees (in their respective capacities as such) from any claims against any of them that arise out of or relate to events or actions occurring or failing to occur or any conditions existing at or prior to the distribution. These releases will be subject to certain exceptions set forth in the Separation and Distribution Agreement.

Working Capital Adjustment. Prior to the distribution, we and Marriott International will agree on a target working capital amount for our company. The target working capital amount will reflect the portion of the costs incurred by Marriott International relating to the spin-off that we have agreed to pay. Following the distribution, we will prepare, and agree with Marriott International on, an unaudited combined balance sheet of Marriott Vacations Worldwide and our subsidiaries as of the effective date of the distribution. If the amount of working capital as of the effective date is higher than the target working capital amount, we will pay the difference to Marriott International; if it is less than the target working capital amount, Marriott International will pay the difference to us.

Indemnification. We on one hand, and Marriott International on the other, will agree to indemnify each other against certain liabilities in connection with the spin-off and our respective businesses.

The amount of any party's indemnification obligations will be subject to reduction by any insurance proceeds or other amounts from a third party received by the party being indemnified. The Separation and Distribution Agreement will also specify procedures with respect to claims subject to indemnification and related matters.

Access to Information. The Separation and Distribution Agreement will provide that each party will provide information reasonably requested by the other party in connection with any reporting, disclosure, filing or other requirements imposed on the requesting party by a governmental authority; for use in any judicial, regulatory, administrative, tax, insurance or other proceeding or to satisfy audit, accounting or other similar requirements; to comply with its obligations under the Separation and Distribution Agreement; or for certain other purposes.

License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property

We will enter into two separate License Agreements, one for the use of Marriott marks and intellectual property, and one for the use of Ritz-Carlton marks and intellectual property. The License Agreements will grant us the exclusive right, for their respective terms, to use certain Marriott and Ritz-Carlton marks and intellectual property in our vacation ownership business, the exclusive right to use the Grand Residences by Marriott marks and intellectual property in our residential real estate business and the non-exclusive right to use certain Ritz-Carlton marks and intellectual property in our residential real estate development business. A default by us under one License Agreement will constitute a default by us under the other License Agreement. In conjunction with the License Agreement, we and Marriott International will also enter into a Noncompetition Agreement, which we describe below under "—Noncompetition Agreement."

Marriott License Agreement

Marriott International and certain of its affiliates, as licensors, will enter into the Marriott License Agreement with us and certain of our subsidiaries, as licensees.

Grant of License. Marriott International will grant us the exclusive right to use the name "Marriott" used as a part of "Marriott Vacation Club," "Grand Residences by Marriott" and other uses Marriott International may approve; certain related Marriott logos and other specified related names and marks in our vacation ownership and residential real estate development businesses (collectively, the "Marriott Marks") where we currently operate. Marriott International will agree that we can use the Marriott Marks in new locations around the world where we expand our businesses (except where the licensed marks may conflict with prior third-party rights or cannot otherwise be acquired). This license will also cover related intellectual property including trade names, domain names, trade secrets, customer lists, brand standards, other know-how, copyrights and patents (collectively with the Marriott Marks, the "Marriott IP"). We may not use the Marriott IP in connection with managing or franchising hotels or other lodging accommodation products offered for transient rentals (including condominium hotels), except for transient rentals of inventory we hold for development and sale as interests in our vacation ownership programs or as residences, or inventory that we control because our owners have elected various usage options permitted under our vacation ownership programs, pending cure or foreclosure.

Term. The initial term of the Marriott License Agreement will expire on December 31, 2090. We may extend the initial term by two additional terms of 30 years each if we meet specified sales thresholds and are not in breach of the agreement at the time of renewal. After the term (as it may be extended) ends, we may continue to use the Marriott Marks on a non-exclusive basis for a "tail period" of 30 years in connection with products and projects that were using the Marriott Marks, or were approved for development, when the term ended.

Vacation Ownership Products. We may use the Marriott Marks in connection with products and properties that are part of our vacation ownership business as of the date of the spin-off or that become part of our vacation ownership business in the future if they satisfy certain requirements, in each case as long as they continue to meet applicable brand standards. We may also use certain Marriott Marks in connection with a limited number of accommodations on cruise ships approved by Marriott International for inclusion in our vacation ownership business.

Use of Marriott Name in Our Corporate Names. As long as the Marriott License Agreement is in effect, we may use "Marriott" as part of the name "Marriott Vacations Worldwide Corporation" and in the names of our existing subsidiaries as of the spin-off. At Marriott International's request during the term of the agreement, we will stop using "Marriott" in these names if (1) the aggregate number of units of accommodation in our vacation ownership business, or "vacation ownership units," that we operate under the Marriott Marks and Ritz-Carlton Marks (as defined below) falls below one-half of the total number of the units of accommodation in our vacation ownership business or (2) after the fifth anniversary of the distribution date, if we acquire, merge or combine, or have previously done so, with the vacation ownership business of certain specified major lodging companies, and we use the brand of such business on the acquired vacation ownership business.

Royalty Fees. We will pay the following royalty fees to Marriott International quarterly in arrears:

A vacation ownership business royalty fee equal to: a fixed fee of $12.5 million per quarter or $50 million per year, plus two percent of the gross sales price paid to us or our affiliates for initial developer sales of interests in vacation ownership units, plus one percent of the gross sales price paid to us or our affiliates for resales of interests in vacation ownership units, in each case that are identified with or use the Marriott Marks. The fixed fee will be increased every five years by 50 percent of an inflation rate index, compounded annually.

A residential real estate development business royalty fee equal to: two percent of the gross sales price paid to us or our affiliates for initial developer sales of units of accommodation in our residential real estate business,

or “residential units,” plus one percent of the gross sales price paid to us or our affiliates for resales of residential units, in each case that are identified with or use the Marriott Marks.

The Marriott License Agreement contains customary requirements obligating us to keep records of and report transactions subject to royalty fees, and grants Marriott International customary inspection, review and audit rights.

Marriott Brand Standards. We must comply with Marriott brand standards applicable to our business. Marriott International has inspection and approval rights to monitor our compliance with these standards. Marriott brand standards include construction and design brand standards; graphic standards for use of the Marriott Marks and Marriott IP; sales, service and operating standards; and quality assurance and customer satisfaction requirements.

Matters Relating to Our Operations.

Exchange Program. We may operate vacation ownership exchange programs, which may include hotels and other lodging products. We may use certain of the Marriott Marks as part of an approved exchange program name; however, we will discontinue such use at Marriott International’s request if (1) the aggregate number of vacation ownership units under the Marriott Marks and Ritz-Carlton Marks in the exchange program falls below one-half of the total number of our vacation ownership units in the program or (2) after the fifth anniversary of the distribution date, we permit units operated under the brands of certain of our competitors to participate in the exchange program.

Conduct of Our Business. We may not use the Marriott Marks in a way that endorses, or suggests affiliation with, any other brand, product or service, with exceptions permitted under the Marriott License Agreement. We may not allow our owners to use their usage rights or points (or other benefits) at luxury or upscale hotels other than those operated or franchised by Marriott International, except through general exchange programs or tour operator arrangements or as otherwise permitted by the Marriott License Agreement. We may not list, promote, rent or sell any developer-owned or controlled Marriott branded inventory through any distribution channels of any branded hotel company other than Marriott International.

Customer Information. We must comply with Marriott International’s customer data privacy and security standards and protocols. The Marriott License Agreement requires us to use customer or potential customer names and other personal information received from Marriott International before or after the spin-off only for the authorized business we conduct using the Marriott Marks or the Ritz-Carlton Marks.

Development and Future Events.

Development Rights and Restrictions. We must obtain Marriott International’s consent to develop or operate any additional vacation ownership units or residential units under the Marriott Marks. Marriott International may reject a proposed project only if: (1) it does not meet Marriott International’s construction and design standards or Marriott International reasonably believes that the location is not appropriate for the project, (2) Marriott International reasonably believes the project will breach or is reasonably likely to breach contractual or legal restrictions applicable to Marriott International and its affiliates, or (3) any proposed co-investor does not meet Marriott International’s requirements as set forth in the Marriott License Agreement. If we disagree with Marriott International’s rejection of a proposed project because the location is not appropriate for the project, we may refer the matter for expert resolution. The expert will decide if Marriott International’s rejection was reasonable, given the market positioning and brand standards of the Marriott hotel brand that would be most appropriate for the proposed location.

If we propose to co-locate additional vacation ownership units or residential units with a hotel, we must use commercially reasonable efforts to secure for Marriott International a right of first negotiation to manage or franchise the hotel and we must also meet other requirements set forth in the License Agreement. If a third-party developer of a proposed Marriott hotel project wants to include a vacation ownership component or product in

the hotel project, Marriott International must introduce the developer to us. If we decline to participate or cannot agree on mutually acceptable terms with the developer and Marriott International within 60 business days, Marriott International may proceed with the vacation ownership component of the project without our involvement, but may not use the Marriott Marks, the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations in connection with the vacation ownership component.

Our Use of Brands Other Than Marriott or Ritz-Carlton. Subject to our compliance with the non-affiliation requirements described above, we may use brands other than Marriott or Ritz-Carlton in our business. However, we may not operate Marriott or Ritz-Carlton vacation ownership resorts in operation as of the distribution date under another brand unless: (1) we deflag the resort because a property owners' association we do not control fails to comply with or terminates or elects not to renew the resort operating agreement with us, or (2) we reasonably determine (and Marriott International reasonably agrees) that the resort no longer adequately represents the then-current applicable brand positioning. We may not use any of the Marriott Marks or other Marriott or Ritz-Carlton branded customer-facing sales assets or facilities (such as phone numbers, websites, domain names, etc.), the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations, or any Marriott or Ritz-Carlton intellectual property to promote, market or sell any product or service that is not part of our Marriott or Ritz-Carlton businesses.

Services. Marriott International will continue to provide us with certain services for the term of the Marriott License Agreement relating to our vacation ownership and residential business, substantially consistent with such services at the date of the spin-off. Service areas include reservations, ecommerce, sales and marketing, data access, operations support, systems and information resources. The charge for these services will be intended to allow Marriott International to recover all of its direct and indirect costs incurred in providing those services, generally consistent with past practice.

Breach and Default; Remedies. If we breach our obligations under the Marriott License Agreement, Marriott International may be entitled to (depending on the nature of the breach): seek injunctive relief and/or monetary damages; cease providing marketing, transient reservations services and other services to us; terminate our development rights; terminate our rights to use the Marriott Marks at specific locations that are not in compliance with Marriott brand standards; or terminate the Marriott License Agreement.

Other Matters.

Registration of Marriott Marks. Marriott International has registered certain of the Marriott Marks for vacation ownership services and residential services in all jurisdictions in which we currently operate vacation ownership resorts and residential projects under the Marriott Marks. However, Marriott International does not have affirmative trademark rights in the Marriott Marks in relation to every aspect of our business in every country around the world, and we therefore may not be able to use one or more of the Marriott Marks to expand various aspects of our business into one or more new countries.

Restrictions on Assignment; Change in Control. Unless we obtain Marriott International's prior written consent, we may not: assign, delegate or, except as expressly permitted under the Marriott License Agreement, sublicense any of our rights or obligations under the Marriott License Agreement; sell, transfer or dispose of all or substantially all of the assets relating to our Marriott or Ritz-Carlton vacation ownership businesses; merge or consolidate with any other entity unless we are the surviving entity; and a Change in Control may not occur (as defined in the Marriott License Agreement).

Indemnification. Subject to certain exceptions, we will indemnify, defend and hold harmless Marriott International and its affiliates from and against any claim or liability arising out of: the development, marketing and sales, operation or servicing of our resorts; our sublicensee activities; claims that Marriott International is a developer, declarant, sponsor or broker of our resorts; design or construction defect claims; any misuse of the Marriott Marks by us or on our behalf; and services we provide to our owners.

Ritz-Carlton License Agreement

Marriott International's subsidiary, Ritz-Carlton, will enter into the Ritz-Carlton License Agreement with us and our subsidiaries as licensees. Ritz-Carlton and its subsidiaries will also be subject to the Noncompetition Agreement described below in "—Noncompetition Agreement."

Except as described below, the terms of the Ritz-Carlton License Agreement are substantially identical to the terms of the Marriott License Agreement, with "Ritz-Carlton" substituted for "Marriott" in the summary above.

Grant of License. Ritz-Carlton will grant us the exclusive right to use the name "Ritz-Carlton" (solely as a part of "Ritz-Carlton Club," "Ritz-Carlton Destination Club," and other uses Ritz-Carlton may approve), certain Ritz-Carlton logos and specified related names and marks (the "Ritz-Carlton Vacation Ownership Marks") in our vacation ownership business and the non-exclusive right to use certain Ritz-Carlton Marks (solely as a part of "Ritz-Carlton Residences" and other uses Ritz-Carlton may approve) (together with the Ritz-Carlton Vacation Ownership Marks, the "Ritz-Carlton Marks") in our residential real estate development business anywhere in the "Territory" described below. This license will also cover related intellectual property including trade secrets, customer lists, brand standards, other know-how, copyrights and patents (collectively with the Ritz-Carlton Marks, the "Ritz-Carlton IP"). The Territory includes the world except for Spain and Portugal and their respective territories and possessions, the United Kingdom and some of its territories and possessions, continental France and other exceptions due to prior third-party registration or use.

Term. The initial term will expire on December 31, 2090. Subject to limitations necessary to comply with the Third-Party Ritz License described below, we may extend this initial term by two additional terms of 30 years each if we meet certain sales thresholds and are not in breach of the agreement at the time of renewal.

Third-Party Ritz License. Ritz-Carlton owns and has registered certain of the Ritz-Carlton Marks for vacation ownership and residential services in the United States, Canada and Chile. Ritz-Carlton licenses from a third party (the "Third-Party Ritz License") the word "Ritz," as used in "Ritz-Carlton," for hotel, vacation ownership, residential and certain related services in the "International Territory," which consists of the Territory other than the United States, Canada, Chile, Brazil and Taiwan. Our activities in the International Territory must comply with the terms of the Third-Party Ritz License. The Ritz-Carlton License Agreement will expire with respect to the International Territory if the Third-Party Ritz License expires or terminates and Ritz-Carlton loses the ability to license the Ritz-Carlton Marks to us in the International Territory. If this happens, we may elect to terminate the Ritz-Carlton License Agreement for the rest of the Territory.

Royalty Fee. The royalty fees are identical to the royalty fees under the Marriott License Agreement, except that there is no fixed fee component of the vacation ownership business royalty fee.

In addition, we must reimburse Marriott International for all royalty fees due under the Third-Party Ritz License in connection with our development, use, lease and/or sale of vacation ownership units and residential units in the International Territory. Marriott International may not amend the Third-Party Ritz License without our prior written consent if the amendment would (1) increase these royalty fees, unless Marriott International agrees to pay such increase or (2) adversely affect our rights under the Ritz-Carlton License Agreement.

Resort Operations by Ritz-Carlton. Except as provided in the Ritz-Carlton License Agreement, Ritz-Carlton must be the sole provider of all on-site management operations at each of our existing and future Ritz-Carlton branded vacation ownership and residential real estate properties.

Development Rights and Restrictions. In addition to the development rights and restrictions described above under the Marriott License Agreement, Ritz-Carlton may reject proposed Ritz-Carlton branded vacation ownership units if Ritz-Carlton will not be able to provide or arrange for services that comply with Ritz-Carlton brand standards at the proposed project. If Ritz-Carlton rejects a proposed Ritz-Carlton vacation ownership

project because the location is not appropriate, we do not have the right to refer the matter for expert resolution. For proposed Ritz-Carlton residential projects, Ritz-Carlton has the right to approve or reject any project in its sole or absolute discretion except for a limited number of residential units co-located with approved Ritz-Carlton vacation ownership units.

Ritz-Carlton also has the right to approve any Ritz-Carlton vacation ownership unit that we propose to co-locate with a hotel other than a Ritz-Carlton branded hotel operated or licensed by Ritz-Carlton or its affiliates. This approval may not be unreasonably withheld.

Marriott International's Reserved Rights Regarding Residential Development. Marriott International and its affiliates may develop, sell, market, operate and finance Ritz-Carlton and Marriott residential units (other than under the Grand Residences by Marriott name), either for their own account, or under license to third parties.

Noncompetition Agreement

We and Marriott will enter into a Noncompetition Agreement binding us and our subsidiaries and certain affiliates.

Restrictions on Marriott International's Activities. Marriott International and its subsidiaries will agree not to engage, directly or indirectly, in the vacation ownership business (or license their trademarks or tradenames to others to engage in the vacation ownership business) anywhere in the world, until the earlier of the termination of the Marriott License Agreement or the tenth anniversary of the distribution date, subject to specific exceptions. The term "vacation ownership business" as used in this section generally means developing, selling, marketing, operating and financing vacation ownership, destination club or other forms of products that provide an ownership interest or right to use certain overnight accommodations and facilities on a periodic, reoccurring basis; managing the resorts, amenities (such as country clubs, spas, golf courses, restaurants, etc.) and ancillary businesses (such as travel insurance) associated with such products; managing member services related to such products; developing, selling, marketing and operating exchange programs related to such products; and managing rental programs related to such products. An exception to these restrictions will permit Ritz-Carlton to operate our Ritz-Carlton vacation ownership resorts and residences.

Restrictions on Our Activities. We and our subsidiaries will agree not to engage, directly or indirectly, in the hotel business (or license our trademarks or tradenames to others to engage in the hotel business) anywhere in the world, until the earlier of the termination of the Marriott License Agreement or the tenth anniversary of the distribution date, subject to specific exceptions. The term "hotel business" as used in this section includes the management, operation or franchising of hotels, resorts or other transient or extended stay lodging facilities, including condominium hotels, but does not include the activities included in the term "vacation ownership business."

Exceptions for Marriott International. Marriott International may develop, sell, market, own, manage or franchise residential units and related facilities that may be included in a rental program for a hotel or resort property, or operated as a serviced apartment for transient or extended stay customers. The Noncompetition Agreement also permits Marriott International to engage in certain other activities described in the Marriott License Agreement.

If Marriott International or its affiliates acquire a hotel or a hotel chain that includes an existing branded or unbranded vacation ownership business (provided that the number of hotel rooms acquired is greater than the number of vacation ownership units acquired), we and Marriott International will use commercially reasonable efforts to negotiate the terms of an exchange relationship or an affiliation between such acquired vacation ownership business and our business, and/or our management or purchase of all or part of such vacation ownership business. If we cannot agree on any of these options, Marriott International may operate the acquired vacation ownership business on a stand-alone basis, but may not use any of the Marriott Marks, the Marriott Rewards customer loyalty program or other branded elements of Marriott International's operations with the acquired vacation ownership business.

Exceptions for Us. We may engage in any activity specifically authorized under either of the License Agreements. We are also expressly permitted to operate hotels as a Marriott International franchisee under a franchise agreement with Marriott International (if we meet the requirements for a Marriott International franchisee).

If we or our affiliates acquire a vacation ownership business that includes an existing branded or unbranded hotel management or franchising business (provided that the number of vacation ownership units acquired is greater than the number of hotel rooms acquired or under management or franchise arrangements), then we and Marriott International will use commercially reasonable efforts to negotiate a relationship under which the acquired hotels will affiliate with Marriott International's lodging business, and/or the management or purchase by Marriott International of such acquired hotel business. If we cannot agree on any of these options, we may operate the acquired hotel management and franchising business, but may not use any of the Marriott Marks in connection with the acquired hotel business.

We may also manage or franchise hotels pending conversion into vacation ownership or residential units, subject to certain limitations.

Additional Exceptions. Despite the provisions in the Marriott License Agreement and Noncompetition Agreement restricting Marriott International and its affiliates from offering, operating and promoting products and services that may fall within the scope of the vacation ownership business, Marriott International may offer, operate and promote such products and services (including use under the Marriott Marks and Ritz-Carlton Marks) to the extent that that they are substantially similar to those provided in the future by other international hotel operators or franchisors as part of their hotel business (and not as a separate line of business).

Similarly, despite the provisions in the Noncompetition Agreement restricting us from offering, operating and promoting products and services that may fall within the scope of the hotel business, we and our affiliates may offer, operate and promote such products and services to the extent that that such products and services are substantially similar to those provided in the future by other large upscale or luxury vacation ownership business developers/operators as part of their vacation ownership business (and not as a separate line of business). However, we may not (1) operate or franchise properties that are primarily operated as hotels (*i.e.*, dedicated rooms for transient rental), (2) call or refer to any of our properties as "hotels," "inns" or similar terms, or (3) engage in activities that would breach any territorial restrictions or other contractual obligations of Marriott International. To the extent that we use this provision to dedicate some rooms for transient rentals, Marriott International may require us to enter into a franchise agreement for these rooms and pay Marriott International franchise fees.

If Marriott International's or our exercise of these rights has a material adverse effect on our respective businesses, we and Marriott International will discuss alternative arrangements. If we and Marriott International are unable to agree on another arrangement, either of us may refer the matter for expert resolution. However, the only available remedy will be a prospective reduction (in the case of harm to us) or increase (in the case of harm to Marriott International) in the royalty fees payable under the License Agreements.

Early Termination of Noncompetition Agreement. The Noncompetition Agreement will terminate if the Marriott License Agreement is terminated for any reason.

Marriott Rewards Affiliation Agreement

Marriott International's customer loyalty program, Marriott Rewards, has over 34 million members and 12 participating brands. Under the program, members earn points based on their stays and spending at participating Marriott International hotels, resorts and vacation ownership resorts. These points can be redeemed for free stays at participating Marriott brand hotels, resorts and vacation ownership resorts; car rentals; airline miles; or other rewards. We offer Marriott Rewards Points to our owners or potential owners as sales, tour and financing

incentives; in exchange for vacation ownership usage rights; for customer referrals; and to resolve customer service issues. In 2008, 2009 and 2010, we paid $100 million, $104 million and $106 million, respectively, for the purchase and redemption of Marriott Rewards Points and to participate in the Marriott Rewards customer loyalty program.

We and certain of our subsidiaries will enter into a Marriott Rewards Affiliation Agreement (the "Marriott Rewards Agreement") with Marriott International and its subsidiary Marriott Rewards, LLC under which we will continue to purchase Marriott Rewards Points.

Use of Marriott Rewards Points. The Marriott Rewards Agreement will permit us to continue to use Marriott Rewards Points for the purposes described above as long as we continue to market the receipt and use of Marriott Rewards Points as an ancillary benefit of purchasing or using our products or of membership in our programs. We may also request that Marriott Rewards, LLC approve new types of uses for Marriott Rewards Points.

Term. The Marriott Rewards Agreement will be coterminous with the Marriott License Agreement. If the term of the Marriott License Agreement expires, the term of the Marriott Rewards Agreement will continue for the "tail" period under the Marriott License Agreement.

Costs and Payments.

Cost and Payment for Newly Purchased Points. Prior to the spin-off, we generally paid for Marriott Rewards Points when the holder of the points redeemed them, and we will continue to do so through December 30, 2011. Beginning December 31, 2011, we will pay for newly purchased Marriott Rewards Points when they are issued to our customers and potential customers (although for the first 7 years after the spin-off we will have the right in any year to defer payment for Marriott Rewards Points issued for exchanges in our fourth calendar quarter until 120 days after the end of such quarter). Our cost per Marriott Rewards Point for points issued to our owners and potential owners for exchanges, sales incentives and referrals will be based on the rate per point charged to a Marriott-branded hotel owner for hotel stays, plus a premium (the "MVC Premium") to adjust for our customers' anticipated future nonuse of Marriott Rewards Points ("breakage") and their anticipated Marriott Rewards Points redemption behavior; in each case based on our customers' historical breakage and redemption patterns. To the extent the rate per point charged to a Marriott-branded hotel owner increases or decreases, our rate will be adjusted accordingly. In addition, every 3 years after the spin-off, the MVC Premium will be adjusted to reflect any change in our customers' breakage and redemption patterns since the time of the last adjustment. We do not expect that this new pricing mechanism for the purchase of Marriott Rewards Points will result in a material increase in the price per point that we pay, compared to the pricing mechanism in place prior to December 31, 2010, described below.

The cost per Marriott Rewards Point for points issued in all other circumstances will equal the cost per point charged to participating Marriott brand hotels for uses other than hotel stays.

Currently, Marriott Rewards Points issued to our owners and potential owners constitute approximately 15 percent of all Marriott Rewards Points issued in any calendar year. If this percentage increases to 25 percent or more in any calendar year, and the percentage increase materially increases the cost of the Marriott Rewards customer loyalty program, we and Marriott International will negotiate in good faith to adjust the price we pay for newly issued Marriott Rewards Points to offset the cost increase.

Cost and Payment for Unredeemed Points Issued to Our Owners Before the Spin-Off. After the spin-off, we will generally pay for unredeemed Marriott Rewards Points issued to our owners prior to the distribution date as and when those points are redeemed, at the actual cost of redemption plus 5 percent for hotel stays, and at average actual cost for all other redemptions. We will make all payments in arrears on a period (or monthly) basis. Within 60 days after the fourth anniversary of the distribution date, we will repay in full any then-remaining balance for such Marriott Rewards Points, taking into account the anticipated timing of future redemptions and anticipated future nonuse (or "breakage") of such points, calculated using the average redemption cost paid during the fourth year.

The Marriott Rewards Agreement requires that Marriott Rewards, LLC comply with customary recordkeeping and reporting obligations regarding the usage of Marriott Rewards Points issued to our owners.

Payment for Our Inventory Use Through Marriott Rewards Point Redemption. Marriott Rewards, LLC will pay us for use of our inventory through Marriott Rewards Points redemptions consistent with past practice, at a rate intended to approximate the average rate paid by wholesalers who purchase a similar volume and type of villa accommodations, adjusted annually.

Inventory Rentals. We will continue to offer Marriott Rewards Points for eligible Marriott Rewards member rentals of our participating properties, and pay Marriott Rewards, LLC on the same basis as Marriott branded full service hotels pay for spending by Marriott Rewards customer loyalty program members.

Inventory Availability for Marriott Rewards Point Redemption. Marriott Rewards customer loyalty program participants can use their Marriott Rewards Points to pay for our eligible products and services consistent with past practices.

Certain Limitations. We may only use Marriott Rewards Points in connection with the Marriott branded vacation ownership business, and not in connection with any vacation ownership business sold or operated under any other name or brand, or for any hotels, other lodging facilities, or other products or services. We may not utilize or affiliate with any third-party hotel, destination club, or other lodging or travel loyalty program other than the Marriott Rewards customer loyalty program in connection with Marriott branded vacation ownership products, other than any loyalty program that a third-party vacation ownership exchange company provides.

Compliance with Program; Program Changes; Discontinuation of Program. Marriott Rewards, LLC can change the Marriott Rewards customer loyalty program at any time, subject only to any express obligations or limitations set forth in the Marriott Rewards Agreement. In addition, Marriott International may discontinue the program at any time.

Tax Sharing and Indemnification Agreement

Until the distribution occurs, we will be included in Marriott International's U.S. federal consolidated income tax group, and our tax liability thus will be included in the consolidated U.S. federal income tax liability of Marriott International and its subsidiaries. We also will be included with Marriott International or certain Marriott International subsidiaries in consolidated, combined or unitary income tax groups for state, local or foreign tax purposes until the distribution occurs.

We will enter into a Tax Sharing and Indemnification Agreement with Marriott International under which we will allocate between Marriott International and ourselves responsibility for federal, state, local and foreign income and other taxes relating to taxable periods before and after the spin-off and provide for computing and apportioning tax liabilities and tax benefits between the parties. Marriott International has generally agreed to be responsible for our taxes in respect of our assets and operations for periods ending on or prior to the distribution and, except in certain circumstances, any tax liabilities and transfer taxes incurred with respect to any restructuring transactions undertaken in connection with the spin-off. In the Tax Sharing and Indemnification Agreement, we also will represent that certain materials relating to us submitted to the IRS in connection with the ruling request are complete and accurate in all material respects, and we will agree that, among other things, we may not (1) take or fail to take any action that would cause such materials (or representations included therein) to be untrue or cause the distribution to lose its tax-free status under Section 355 of the Code and (2) during the two-year period following the spin-off, except in certain specified transactions, sell, issue or redeem our equity securities (or those of certain of our subsidiaries) or liquidate, merge or consolidate with another person or sell or dispose of a substantial portion of our assets (or those of certain of our subsidiaries). During that two-year period, we may take certain actions prohibited by the covenants if we obtain Marriott International's approval or we provide Marriott International with an IRS ruling or an unqualified opinion of tax counsel to the effect that these

actions will not affect the tax-free nature of the distribution, in each case acceptable to Marriott International. Regardless of the receipt of any such IRS ruling or opinion, we must indemnify Marriott International for certain taxes and related losses resulting from (1) any non-compliance with the covenants above, (2) certain acquisitions of our equity securities or assets or those of certain of our subsidiaries, and (3) any breach by us or any member of our group of certain representations in the documents submitted to the IRS in connection with the ruling request and the documents relating to the spin-off between us and Marriott International.

The Tax Sharing and Indemnification Agreement will further provide that, if any part of the spin-off fails to qualify for the tax treatment stated in the IRS ruling (for reasons other than those for which we have agreed to indemnify Marriott International against under one or more of the spin-off tax indemnification provisions), taxes related to the distribution imposed upon or incurred by Marriott International as a result of such failure are to be allocated between Marriott International and us based on the relative fair market values of Marriott International and us, and each will indemnify and hold harmless the other from and against the taxes so allocated. In the event that the spin-off fails to qualify for the tax treatment stated in the IRS ruling and the liability for taxes as a result of such failure is allocated among Marriott International and us, the liability allocated to either Marriott International or us could exceed each of our respective net asset values at that time.

In connection with the distribution and as part of the internal reorganization, Marriott International and certain of its subsidiaries will contribute the companies that conduct the North American luxury vacation ownership and related residential businesses to MVW US Holdings and Marriott International will sell the preferred stock of MVW US Holdings. As a result of these transactions, Marriott International expects to recognize significant built-in losses in properties used in the vacation ownership and related residential businesses that are owned by the transferred companies, which losses should be available to Marriott International's U.S. federal consolidated group. If Marriott International's U.S. federal consolidated group is unable to deduct these losses for U.S. federal income tax purposes, and, instead, the tax basis of the properties that is attributable to the built-in losses is available to our U.S. federal consolidated group, we have agreed to indemnify Marriott International for certain lost tax benefits that Marriott International otherwise would have recognized if Marriott International's U.S. federal consolidated group was able to deduct such losses. In certain circumstances, the timing of any indemnification payments with respect to these lost tax benefits will be based in part on the disposition of the properties that have the built-in losses. Other restructuring transactions, including an internal spin-off, will be undertaken in connection with the distribution as part of the internal reorganization. If we take actions (or fail to take actions) that cause these restructuring transactions to fail to qualify for their intended tax treatment, we may be required to indemnify Marriott International for any resulting taxes.

In addition, the Tax Sharing and Indemnification Agreement will provide for cooperation and information sharing with respect to tax matters.

Employee Benefits and Other Employment Matters Allocation Agreement

We will enter into an Employee Benefits and Other Employment Matters Allocation Agreement with Marriott International (the "Employee Benefits Allocation Agreement") that will set forth our agreement with Marriott International on the allocation of employees to Marriott Vacations Worldwide and obligations and responsibilities regarding compensation, benefits and labor matters. Under the Employee Benefits Allocation Agreement, effective as of the effective date of the spin-off (the "Effective Date"), Marriott Vacations Worldwide and Marriott International will allocate all employees of Marriott International and its affiliates immediately before the Effective Date to either Marriott Vacations Worldwide or to Marriott International based upon whether each employee's employment duties before the Effective Date relate to the Marriott Vacations Worldwide business or the business of Marriott International and upon various other factors as applicable.

Specific provisions of the Employee Benefits Allocation Agreement include the following:

Retirement Savings Plan. Marriott International will retain the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan and Trust (the "Marriott Retirement Savings Plan") as of the Effective Date, and Marriott Vacations Worldwide will establish a separate plan under Section 401(k) of the Code. Plan accounts of Marriott Vacations Worldwide employees in the Marriott Retirement Savings Plan will be subject to plan rules, including the ability of Marriott Vacations Worldwide employees to roll over their account to the new Marriott Vacations Worldwide plan, leave the account in the Marriott Retirement Savings Plan or take distributions from the Marriott Retirement Savings Plan.

Executive Deferred Compensation Plan. Marriott International will retain the Marriott International, Inc. Executive Deferred Compensation Plan (the "Marriott Deferred Compensation Plan") and the liabilities and obligations under that plan to all participants as of the Effective Date. Marriott Vacations Worldwide employees who participate in the Marriott Deferred Compensation Plan will no longer defer income to the plan after the Effective Date. Distributions to Marriott Vacations Worldwide employees with accounts under the Marriott Deferred Compensation Plan will be made in accordance with plan terms. When distributions under the Marriott Deferred Compensation Plan are made to participants who are current or former employees of Marriott Vacations Worldwide, Marriott International will invoice Marriott Vacations Worldwide for the amount of the distribution and Marriott Vacations Worldwide will be obligated to reimburse Marriott International for those amounts.

Stock Plans. Marriott International will continue the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott International Stock Plan"). Marriott Vacations Worldwide will establish the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan (the "Marriott Vacations Stock Plan"). As described more fully below, under the Employee Benefits Allocation Agreement, holders of outstanding awards under the Marriott International Stock Plan will as part of the distribution (1) receive awards of Marriott Vacations Worldwide common stock, stock options and/or stock appreciation rights under the Marriott Vacations Stock Plan, and (2) in the case of stock options and stock appreciations rights, also have their existing Marriott International awards modified under the Marriott International Stock Plan. Marriott Vacations Worldwide awards will have terms and conditions substantially similar to those that are applicable under the Marriott International Stock Plan.

- Restricted Stock and Restricted Stock Units. Each holder of an award of Marriott International restricted stock or restricted stock units as of the day immediately preceding the Effective Date will receive an award of Marriott Vacations Worldwide restricted stock or restricted stock units equal to the number of shares of Marriott International common stock under his or her existing award multiplied by the distribution ratio of one share of Marriott Vacations Worldwide common stock for every ten shares of Marriott International common stock.
- Stock Options and Stock Appreciation Rights. On the Effective Date, each holder of a Marriott International stock option or stock appreciation right will have each of the following, which together are designed to preserve the intrinsic value of the stock option or stock appreciation right immediately before the distribution:
  - A modified Marriott International stock option or stock appreciation right, with the exercise price adjusted to reflect the relative value of (i) Marriott International common stock at the close of trading on the first day of regular-way trading in Marriott International common stock following the distribution to (ii) Marriott International common stock at the close of trading on the last full day of trading Marriott International common stock before the Effective Date; and
  - A new Marriott Vacations Worldwide stock option or stock appreciation right for the number of shares that corresponds to the Marriott International stock option or stock appreciation right multiplied by the distribution ratio. The stock option or stock appreciation right exercise price will reflect the relative value of (i) Marriott Vacations Worldwide common stock at the close of trading on the first day of regular-way trading in Marriott Vacations Worldwide common stock

following the distribution to (ii) Marriott International common stock at the close of trading on the last full day of trading Marriott International common stock before the Effective Date.

Medical and other Welfare Benefit Plans. Marriott International will continue to maintain the Marriott International, Inc. Medical Plan, Dental Plan, Vision Plan, and other welfare plans. Employees of Marriott Vacations Worldwide as of the Effective Date who were participants in the Marriott International, Inc. Medical Plan, Dental Plan and Vision Plan immediately before the Effective Date will be allowed to continue to participate in those plans until the end of 2011. As of the Effective Date, Marriott Vacations Worldwide will establish other welfare plans and as of January 1, 2012, Marriott Vacations Worldwide will establish new medical, dental and vision plans for its employees going forward.

Transition Services Agreements

Prior to the spin-off, we will enter into Transition Services Agreements with Marriott International and/or certain of its subsidiaries, under which Marriott International or certain of its subsidiaries will provide us with certain services for a limited time to help ensure an orderly transition following the distribution.

The Transition Services Agreements will generally provide for a term of up to 24 months following the distribution. We may terminate any transition services upon prior notice to Marriott International, generally 120 days in advance of the service termination date.

The transition services will be provided substantially in the manner and at the level of service similar to that immediately prior to the distribution. The charge for these services will be intended to allow Marriott International to recover all of its direct and indirect costs incurred in providing those services, generally consistent with past practice.

The transition services include the following:

- Payroll services;
- Human resources services, including specified training, benefits, employee selection, employee survey, performance management, employee relocation and compensation services and software use;
- Information resources systems and services provided by or through Marriott International, including support, training, maintenance, data storage, and related services, relating to systems such as reservations, property management, payment and order processing, reporting, and others;
- Certain business services such as accounts payable processing and related services, purchase and travel card processing and administration, sales and use tax services, and fixed asset calculation services;
- Golf course consulting and support services;
- Global procurement cooperation services; and
- Certain other administrative and consulting services.

The Transition Services Agreements generally require us to indemnify Marriott International and its subsidiaries and affiliates from and against any losses or other liabilities or charges incurred by Marriott International or its subsidiaries or affiliates in connection with providing the transition services, unless caused by the fraud or willful misconduct of Marriott International or its subsidiaries or affiliates.

Each party will have the right to terminate the transition services agreements if the other party breaches any of its obligations under the agreement after notice and opportunity to cure.

Related Party Transactions

Policy and Procedures Governing Related Person Transactions

Our Board will adopt a written policy and procedures for the review, approval and ratification of the transactions we are party to that involve an aggregate amount that will or may be expected to exceed $120,000 in any year where any director, director nominee, executive officer, greater-than-5% beneficial owner or their respective immediate family members have or will have a direct or indirect material interest (other than solely as a result of being a director or a less-than-10% beneficial owner of another entity). We will post a copy of the policy on our website (www.marriottvacationsworldwide.com).

We anticipate that the policy will provide that the Nominating and Corporate Governance Committee will review certain transactions subject to the policy and determine whether or not to approve or ratify those transactions. In doing so, we expect the committee will take into account, among other things, whether the terms of the transaction are no less favorable to us than terms generally available to an unaffiliated third party under similar circumstances and the materiality of the related person's interest in the transaction.

Certain Relationships and Potential Conflicts of Interest

Following the spin-off, Marriott International will continue to employ one of the persons who will serve on our Board, Deborah Marriott Harrison, in the position of Senior Vice President, Government Affairs. Ms. Harrison is also the daughter of the chairman of the board of directors and chief executive officer of Marriott International. Ms. Harrison beneficially owned, as of August 31, 2011, approximately 6.7 percent of Marriott International's common stock. In 2010, Ms. Harrison received total compensation from Marriott International of $324,690 (which includes base salary, bonus, the value of stock-based awards and other compensation). Following the spin-off, she will receive our standard non-employee director compensation, as determined by our Board with the assistance of our Compensation Committee. We anticipate that such compensation will consist of an annual retainer, an annual equity award and other types of compensation as determined by the Board from time to time.

Ms. Harrison's relationship with Marriott International may give rise to, or create the appearance of, conflicts of interest when our Board faces decisions that could have different implications for Marriott International than for us. For example, conflicts of interest could arise if there are issues or disputes under the agreements we are entering into with Marriott International described above in "—Agreements with Marriott International Related to the Spin-Off." In addition, conflicts of interest could arise if we consider acquisitions and other corporate opportunities that may be appropriate for both Marriott International and us. As discussed above in "—Policy and Procedures Governing Related Party Transactions," our Board will adopt a written policy and procedures for the review, approval and ratification of related party transactions that will be designed to help ameliorate the risks associated with any such potential conflicts that may arise. We anticipate that the policy will provide that our Nominating and Corporate Governance Committee, which we do not expect will include Ms. Harrison, will review certain transactions subject to the policy and determine whether or not to approve or ratify those transactions.

Following the spin-off, we will employ Scott Weisz, who currently serves as Senior Director, Asset Management at Marriott International. Mr. Scott Weisz is the son of Stephen P. Weisz, who is currently an executive officer of Marriott International and will serve as our President and Chief Executive Officer after the spin-off. In 2010, Mr. Scott Weisz received total compensation from Marriott International of $155,101 (which includes base salary, bonus, the value of stock-based awards and other compensation). Marriott International has historically determined Mr. Scott Weisz's compensation based on reference to market compensation paid to individuals in similar positions at other companies and/or the compensation paid to non-family members in similar positions at Marriott International, and we expect to determine Mr. Scott Weisz's compensation in a similar manner.

DESCRIPTION OF MATERIAL INDEBTEDNESS AND OTHER FINANCING ARRANGEMENTS

We have entered into a secured Revolving Corporate Credit Facility with borrowing capacity of $200 million that will provide support for our business, including ongoing liquidity, letters of credit, surety bonds and guarantees. In addition, we have entered into a secured Warehouse Credit Facility with borrowing capacity of $300 million that will provide short-term financing for receivables we originate in connection with the sale of vacation ownership interests. Our subsidiary, MVW US Holdings, will issue approximately $40 million in mandatorily redeemable preferred stock prior to completion of the spin-off. After the spin-off, we plan to periodically securitize receivables we originate in connection with our sale of vacation ownership interests.

We describe the material terms of the two revolving credit facilities, our vacation ownership securitization program and the preferred stock below. These summaries are qualified in their entirety by the specific terms and provisions of the applicable documentation evidencing these arrangements.

Revolving Corporate Credit Facility

Our Revolving Corporate Credit Facility will provide support for our business, including ongoing liquidity and letters of credit. On October 20, 2011, we entered into this four-year $200 million revolving senior secured credit facility, which includes a letter of credit sub facility of $120 million, with a syndicate of banks led by JP Morgan Chase Bank. The Revolving Corporate Credit Facility has the following material terms.

Interest. Borrowings will generally bear interest at a floating rate at the eurodollar rate plus an applicable margin that varies from 2.75 percent to 4 percent depending on our credit rating. We will also owe unused facility and other fees under the facility.

Security and Guarantees. The Revolving Corporate Credit Facility will be guaranteed by Marriott Vacations Worldwide and by each of our direct and indirect, existing and future, domestic subsidiaries (excluding certain special purpose subsidiaries), and will be secured by a perfected first priority security interest in substantially all of our assets and the assets of the guarantors, subject to certain exceptions.

Covenants. The credit agreement contains negative covenants customary for financings of this type, including covenants that place limitations on the incurrence of additional indebtedness; the creation of liens; the payment of dividends; sales of assets; mergers, consolidations, liquidations and dissolutions; capital expenditures; acquisitions, investments, loans and advancements; prepayments and modifications of subordinated debt and other material debt; transactions with affiliates; sale-leasebacks; changes in our fiscal year; hedging arrangements; negative pledges and clauses restricting subsidiary distributions; changes in lines of business; amendments to certain of our agreements with Marriott International. The credit agreement also limits borrowings under the Revolving Corporate Credit Facility at any time to the amount of the borrowing base (as defined in the credit agreement) in effect at such time. The credit agreement contains affirmative covenants and representations and warranties customary for financings of this type.

In addition, the credit agreement contains financial covenants, including covenants requiring (a) minimum consolidated tangible net worth of not less than the sum of (i) 80 percent of the consolidated tangible net worth as set forth on an opening balance sheet plus (ii) 80 percent of any increase in consolidated tangible net worth attributable to the issuance of equity after the date of such opening balance sheet; (b) a maximum ratio of consolidated total debt to consolidated adjusted EBITDA of 6 to 1 through the end of the 2013 first fiscal quarter, which decreases to 5.25 to 1 through the end of the 2014 fiscal year and to 4.75 to 1 thereafter; and (c) a minimum consolidated interest coverage ratio of not less than 3 to 1.

Events of Default. The banks may declare any indebtedness outstanding under the Revolving Corporate Credit Facility due and payable, and cancel any remaining commitment under the Revolving Corporate Credit Facility, if an event of default occurs, including a failure to pay interest and principal or commitment fees when due; a material inaccuracy of a representation or warranty in the credit agreement at the time made; a bankruptcy

event; a failure to comply with the credit agreement covenants; the occurrence of an uncured or unwaived event of default under other loan agreements to which we may be a party including the Warehouse Credit Facility; certain ERISA events; material judgments; actual or asserted invalidity of any guarantee or security document or non-perfection of any security instrument; termination or invalidity of certain of our agreements with Marriott International including the License Agreements, Non Competition Agreement and Rewards Agreement; changes in the passive holding company status of any holding company guarantor; and a change in control.

Warehouse Credit Facility

On September 28, 2011, we closed on a $300 million Warehouse Credit Facility with a group of financial institutions led by Credit Suisse. The Warehouse Credit Facility allows for the securitization of vacation ownership notes receivable on a non-recourse basis, pursuant to the terms of the facility. The revolving period of the facility is one year. The receivables that we may securitize under the facility are similar in nature to the receivables that we have securitized in the past.

The advance rate under the Warehouse Credit Facility for vacation ownership notes receivables of obligors that are U.S. residents or citizens varies from 50 percent to 96 percent depending on the FICO score of the obligors under the vacation ownership notes receivables to be securitized and the minimum allowable FICO score is 600. The advance rate for vacation ownership notes receivables of obligors that are not U.S. residents or citizens is (1) 68 percent for receivables with an aggregate balance up to 25 percent of the aggregate balance of all receivables then eligible to be securitized under the facility, and (2) 40 percent for receivables with an aggregate balance that exceeds 25 percent of the aggregate balance of all receivables then eligible to be securitized under the facility, but is less than 40 percent of the aggregate balance of all receivables then eligible to be securitized under the facility. Borrowings under the facility bear interest at a rate of LIBOR plus 1.25 percent and are limited at any point in time to the advance rate on the aggregate amount of eligible notes receivable at such time. We will also owe unused facility and other fees under the facility. The banks may declare any indebtedness outstanding under the Warehouse Credit Facility due and payable if an event of default occurs, including, among other things, an event of default under the Revolving Corporate Credit Facility. As disclosed in Footnote No. 4 “Financial Instruments” of the Notes to our interim Consolidated Financial Statements, at June 17, 2011, notes receivable with a carrying amount of $92 million, or 33 percent of our non-securitized notes receivable, are eligible for securitization and meet the criteria for securitization under the Warehouse Credit Facility. All obligors on notes receivable that are eligible for securitization who are U.S. residents or citizens have FICO scores that meet or exceed the minimum scores required for securitization under the Warehouse Credit Facility and obligors on notes receivable that are eligible for securitization who are not U.S. residents or citizens meet or exceed the alternative requirements for securitization under the Warehouse Credit Facility.

Subject to the performance of the securitized vacation ownership notes, we will collect all of the excess cash flows generated by the receivables. Excess cash flows will be equal to the principal and interest earned from the receivables net of pro-rata principal payments to the participating banks resulting from overcollateralization requirements, interest paid to the participating banks, administration fees and amounts paid for loan defaults. We will not receive such excess cash flows if an agreed upon threshold has been exceeded related to delinquencies, net defaults or excess spread with respect to the vacation ownership notes receivable. As with past securitizations, we will continue to service the receivables in the Warehouse Credit Facility, subject to the non-occurrence of certain servicer defaults, which include our failure to satisfy the financial covenants under our Revolving Corporate Credit Facility.

On October 5, 2011, we made the first draw on the Warehouse Credit Facility. The carrying amount of notes receivable securitized was $154 million. The advance rate was 81%, which resulted in gross proceeds of $125 million. Net proceeds were $122 million due to the funding of a reserve account in the amount of $1 million, cash transaction costs of $2 million and costs of less than $1 million associated with entering into a derivative transaction to cap the interest rate. Estimated additional transaction costs we expect to incur are $1 million. The securitized notes receivable included $16 million of notes receivable that we repurchased in the fourth quarter of

2011 from two consolidated special purpose entities that we initially used to securitize the notes receivable in 2003. Proceeds from the draw on the Warehouse Credit Facility were transferred to Marriott International in settlement of certain intercompany account balances.

We may subsequently include the vacation ownership notes receivable securitized under the Warehouse Credit Facility in a new term securitization transaction under our vacation ownership loan securitization program and use the proceeds of the securitization to repay amounts we owe under the Warehouse Credit Facility in connection with such notes receivable. We describe our securitization program below under "—Vacation Ownership Loan Securitization Program."

Vacation Ownership Loan Securitization Program

As described in "Business—Our Sources of Revenue," we provide financing to purchasers of vacation ownership interests. We receive a significant portion of the funding for such financing from the securitization of the vacation ownership notes receivable and related assets.

We periodically securitize, without recourse, through special purpose entities, notes receivable delivered in connection with the sale of vacation ownership products. These securitizations provide funding for our activities and transfer the economic risks and substantially all the benefits of the loans to third parties.

In each of our post-2003 securitizations, which represent 97% of our outstanding securitized note balances, we sold vacation ownership notes receivable that we originated to a specific trust created for each securitization transaction, for which a major national bank serves as trustee, and in which we hold the beneficial interest. Each trust in turn issued one or more classes of debt securities with a transaction-specific maturity date and a class-specific interest rate. Each class of debt securities was rated by Standard & Poor's Ratings Services and most were also rated by Moody's Investors Services, Inc. Each trust sold the debt securities it issued to institutional buyers through a private placement transaction. The debt securities were issued pursuant to a transaction-specific indenture under which a major national bank serves as trustee, and are recourse only to the assets of the trust that issued them. We service the vacation ownership notes receivable held by each trust, and as servicer we are responsible for managing, administering and servicing the vacation ownership notes receivable, including collecting and posting all payments, responding to inquiries from obligors, accounting for collections, enforcing collections, arranging for and administering repossessions and foreclosures and working with obligors in connection with transfers of ownership of their vacation ownership interest.

We have retained a portion of the debt securities issued in these securitizations, including subordinated tranches, interest-only strips and/or subordinated interests in accrued interest and fees on the securitized receivables. In some cases, we have also overcollateralized the trust or established cash reserve accounts within the trust. In general, for each securitization, we only receive payments for or on our retained interests when principal and interest due on all senior classes of debt securities has been paid currently, the debt securities are not otherwise in default, any required cash reserves are fully funded, default and delinquency rates are below specified thresholds and, for debt securities that have been overcollateralized, the vacation ownership notes receivable balance exceeds the amount of outstanding debt securities by a specified amount. We generally have the right but not an obligation to redeem the debt securities in any particular securitization once the outstanding debt security balance is 10% or less of the initial balance.

We made representations and warranties with respect to each vacation ownership note receivable when we sold it to the applicable trust, and we are required to repurchase or substitute that receivable if our representations or warranties are discovered to have been untrue in any material respect when made. No such failure of a representation or warranty has occurred for any of our securitizations. In addition, we may at our option repurchase defaulted vacation ownership notes receivable representing up to a specified percentage, ranging from 15% to 20% depending upon the securitization transaction, of the initial vacation ownership receivable balance of the applicable securitization trust.

See Footnote No. 3, “Asset Securitizations,” of the Notes to our annual Combined Financial Statements for additional information on our securitizations.

Non-Securitized Notes Receivable

At June 17, 2011, we owned $183 million of non-securitized notes receivable that are not currently eligible for securitization under the Warehouse Credit Facility or our securitization program. These notes receivable consist primarily of (1) $88 million originated in our European and Asia Pacific segments, as we do not securitize notes receivable in those segments because of lower note volumes and less mature securitization markets in those regions, (2) $77 million originated in our North America and Luxury segments that do not meet certain eligibility criteria for securitization approximately two-thirds of which are unrelated to the creditworthiness of the respective obligors, and (3) $18 million that are not eligible for securitization until we receive the first payment. On the basis of our underwriting criteria and the historical performance of the notes receivable that we have originated, we believe that the credit quality of these non-securitized notes receivable is generally comparable to that of the notes receivable we have previously securitized or that are currently eligible for securitization. We evaluate all notes receivable for collectability as disclosed in the section entitled “Loan Loss Reserves” in Footnote No. 1, “Summary of Significant Accounting Policies,” of the Notes to our annual Combined Financial Statements.

MVW US Holdings Preferred Stock

Prior to the spin-off, MVW US Holdings, our subsidiary, will issue $40 million of its mandatorily redeemable Series A (non-voting) preferred stock to Marriott International as part of the internal reorganization, and Marriott International will sell all of this preferred stock to one or more third-party investors prior to completion of the spin-off. The MVW US Holdings preferred stock will have an aggregate liquidation preference of $40 million plus any accrued and unpaid dividends and a premium if the liquidation occurs during the first five years after the issuance of the preferred stock. For the first five years the Series A preferred stock will pay an annual cash dividend equal to the five year U.S. Treasury Rate as of October 19, 2011 plus a spread of 10.958 percent, for a total annual cash dividend rate of 12 percent. On the fifth anniversary of issuance, the annual cash dividend rate will be reset to the five year U.S. Treasury rate in effect on such date plus the same 10.958 percent spread. The Series A preferred stock will be mandatorily redeemable by MVW US Holdings upon the tenth anniversary of the date of issuance. The Series A preferred stock will be senior to all other classes or series of capital stock of MVW US Holdings with respect to dividends and with respect to liquidation or dissolution of MVW US Holdings. MVW US Holdings will be prohibited from issuing any capital stock ranking senior to the Series A preferred stock without the prior consent of the holders of two-thirds of the Series A preferred stock. If MVW US Holdings is either (a) in arrears on the payment of dividends that were due on the Series A preferred stock on six or more quarterly dividend payment dates, whether or not such dates are consecutive, or (b) in default of its obligations to redeem the preferred stock on the tenth anniversary of its issuance or following a change of control, the preferred shareholders may designate a representative to attend meetings of our Board as a non-voting observer until all unpaid preferred stock dividends have either been paid or declared with an amount sufficient for payment set aside for payment, or the shares required to be redeemed have been redeemed, as applicable.

Beginning on the fifth anniversary of the issuance of the Series A preferred stock, MVW US Holdings may redeem the outstanding Series A preferred stock for an amount equal to its aggregate liquidation preference, plus any accrued but unpaid dividends. The preferred shareholders may also require MVW US Holdings to redeem the preferred stock if we or MVW US Holdings completes a change of control, which includes: the sale of all or substantially all of the assets of the subject company and its subsidiaries; any person or entity (other than one of our subsidiaries or an employee benefit plan maintained by us or one of our subsidiaries) becomes the beneficial holder of fifty percent or more of the subject company’s voting securities; or we no longer operate, directly or indirectly, the U.S. portion of the business we conduct under the Marriott License Agreement and the Ritz-Carlton License Agreement through MVW US Holdings and its subsidiaries.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this information statement, Marriott International beneficially owns all of our outstanding common stock. After the spin-off, Marriott International will not own any of our common stock.

The following table shows the anticipated beneficial ownership of our common stock immediately following the spin-off by:

- each of our shareholders who we believe (based on the assumptions described below) will beneficially own more than 5% of Marriott Vacations Worldwide's outstanding common stock;
- each of the persons who will serve on our Board following the spin-off;
- each executive officer named in the Summary Compensation Table; and
- all of our directors and executive officers as a group.

Except as otherwise noted below, we based the share amounts shown on each person's beneficial ownership of Marriott International common stock on August 31, 2011, and a distribution ratio of one share of our common stock for every ten shares of Marriott International common stock held by such person.

To the extent our directors and executive officers own Marriott International common stock at the record date of the spin-off, they will participate in the distribution on the same terms as other holders of Marriott International common stock.

Except as otherwise noted in the footnotes below, each person or entity identified in the tables below has sole voting and investment power for the securities owned by such person or entity.

Immediately following the spin-off, we estimate that 33,632,000 shares of our common stock will be issued and outstanding, based on the number of shares of Marriott International common stock expected to be outstanding as of the record date. The actual number of shares of our common stock outstanding following the spin-off will be determined on November 10, 2011, the record date.

Note on Various Marriott Family Holdings

SEC rules require reporting of beneficial ownership of certain shares by multiple parties, resulting in multiple counting of some shares. The aggregate total beneficial ownership of Deborah M. Harrison and each of the "Other 5% Beneficial Owners" shown below, except for T. Rowe Price Associates, Inc., is 23.8 percent of outstanding shares after removing the shares counted multiple times. These individuals and entities each disclaim beneficial ownership over shares owned by other members of the Marriott family and the entities named below except as specifically disclosed in the footnotes following the table below.

Stock Ownership of Certain Beneficial Owners

Name	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Directors and Director Nominees:		
Raymond L. Gellein, Jr.	0	*
Deborah M. Harrison	2,248,073(2)(3)	6.7%
Thomas J. Hutchison III	200	*
Melquiades R. Martinez	0	*
William W. McCarten	1,966(4)	*
William J. Shaw	263,203(5)	*
Stephen P. Weisz	24,011(5)	*
Other Named Executive Officers:		
R. Lee Cunningham	1,932(5)	*
John E. Geller, Jr.	1,043	*
James H. Hunter, IV	4,432(5)	*
Brian E. Miller	88(5)	*
Robert A. Miller	3,083(5)	*
All Directors, Nominees and Executive Officers as a Group (16 persons, including the foregoing)	2,552,358(6)	7.5%
Other 5% Beneficial Owners:		
J.W. Marriott, Jr.	5,113,208(2)(7)(8)(9)	15.0%
John W. Marriott III	2,223,263(2)(10)(11)	6.6%
Richard E. Marriott	4,500,314(6)(12)	13.4%
Stephen G. Marriott	3,178,373(2)(13)	9.5%
David S. Marriott	2,211,164(2)(14)	6.6%
JWM Family Enterprises, Inc.	2,002,799(2)	6.0%
JWM Family Enterprises, L.P.	2,002,799(2)	6.0%
T. Rowe Price Associates, Inc.	4,722,195(15)	14.0%

* Less than 1 percent.

(1) Based on the number of Marriott International shares outstanding (336,236,189) on August 31, 2011 (33,623,619 giving effect to a distribution ratio of one share of our common stock for every ten shares of Marriott International common stock), plus the number of shares acquirable by the specified person(s) within 60 days of August 31, 2011, as described below.

(2) Includes the following 2,002,798 shares that Deborah M. Harrison, her father J.W. Marriott, Jr., her brothers John W. Marriott III, Stephen G. Marriott and David S. Marriott, and JWM Family Enterprises, Inc. and JWM Family Enterprises, L.P. each report as beneficially owned: (a) 919,999 shares owned by Thomas Point Ventures, L.P., and (b) 1,082,799 shares owned by JWM Family Enterprises, L.P. JWM Family Enterprises, Inc., a corporation in which J.W. Marriott, Jr. and each of his children is a director, is the sole general partner of JWM Family Enterprises, L.P., a limited partnership, which in turn is the sole general partner of Thomas Point Ventures, L.P., also a limited partnership. The address for the corporation and both limited partnerships is 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816.

(3) Includes the following 245,272 shares that Deborah M. Harrison reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 45,897 shares directly held; (b) 69,586 shares held by a trust for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) below); (c) 80,767 shares held by two trusts for the benefit of Deborah M. Harrison, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) below); (d) 8,920 shares held directly by Deborah M. Harrison's spouse (Mrs. Harrison disclaims beneficial ownership of such shares); (e) 2,735 shares held in two trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as

co-trustees; (f) 33,863 shares held in five trusts for the benefit of Deborah M. Harrison's children, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; (g) 342 shares owned by two trusts for the benefit of Deborah M. Harrison's grandchildren, for which Deborah M. Harrison, her spouse and another individual serve as co-trustees; and (h) 3,162 shares subject to stock options, SARs and RSUs held by Deborah M. Harrison's spouse currently exercisable or exercisable within 60 days after August 31, 2011 (Mrs. Harrison disclaims beneficial ownership of such shares). Deborah M. Harrison's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817.

(4) The shares are held by a limited liability corporation in which Mr. McCarten owns a 2 percent interest and acts as Manager.

(5) Includes shares subject to stock options, SARs, RSUs and deferred share awards currently exercisable or exercisable within 60 days after August 31, 2011, as follows: Mr. Cunningham: 1,401 shares; Mr. Hunter: 3,402 shares; Mr. Brian Miller: 33 shares; Mr. Robert Miller: 74 shares; Mr. Shaw: 224,465 and Mr. Weisz: 17,904 shares.

(6) All directors, nominees and executive officers as a group beneficially owned an aggregate of 2,552,358 shares (including 247,570 stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011).

(7) Includes the following 1,926,243 shares that both J.W. Marriott, Jr. and his brother Richard E. Marriott report as beneficially owned: (a) 503,867 shares held by 16 trusts for the benefit of their children, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; (b) 897,550 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, and Stephen G. Marriott serve as co-trustees; (c) 521,568 shares held by a charitable annuity trust created by the will of J. Willard Marriott, Sr., in which his grandchildren have remainder interests and for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees; and (d) 3,258 shares held by a trust established for the benefit of J.W. Marriott Jr., for which Richard E. Marriott serves as trustee.

(8) Includes the following 71,686 shares that both J.W. Marriott, Jr. and his son John W. Marriott III report as beneficially owned: (a) 32,349 shares owned by JWM Associates Limited Partnership, in which J.W. Marriott, Jr. is a general partner and in which John W. Marriott III is a limited partner; (b) 34,380 shares held by a trust for the benefit of John W. Marriott III, for which J.W. Marriott, Jr.'s spouse serves as a co-trustee; and (c) 4,957 shares owned by three trusts for the benefit of John W. Marriott III's children, for which the spouses of John W. Marriott III and J.W. Marriott, Jr. serve as co-trustees.

(9) Includes the following 1,112,474 shares that J.W. Marriott, Jr. reports as beneficially owned, in addition to the shares referred to in footnotes (2), (7) and (8): (a) 471,528 shares directly held; (b) 409,944 shares subject to stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011; (c) 28,252 shares owned by J.W. Marriott, Jr.'s spouse (Mr. Marriott disclaims beneficial ownership of such shares); (d) 192,465 shares owned by separate trusts for the benefit of three of J.W. Marriott, Jr.'s children, in which his spouse serves as a co-trustee; (e) 4,658 shares owned by three trusts for the benefit of J.W. Marriott, Jr.'s grandchildren, for which the spouses of J.W. Marriott, Jr. and Stephen G. Marriott serve as co-trustees; and (f) 5,627 shares owned by the J. Willard Marriott, Jr. Foundation, for which J.W. Marriott, Jr. and his spouse serve as trustees. J.W. Marriott, Jr.'s address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817.

(10) Includes the following 148,776 shares that John W. Marriott III reports as beneficially owned, in addition to the shares referred to in footnotes (7) and (8): (a) 77,771 shares directly held; (b) 50,391 shares held in a trust for the benefit of John W. Marriott III (included in footnote (2)(a) above); (c) 3,155 shares owned by John W. Marriott III's spouse (Mr. Marriott disclaims beneficial ownership of such shares); and (d) 17,459 shares held by three trusts for the benefit of John W. Marriott III's children, for which John W. Marriott III serves as a co-trustee. John W. Marriott III's address is JWM Family Enterprises, 6106 MacArthur Blvd., Suite 110, Bethesda, Maryland 20816.

(11) Does not include Marriott International's non-employee director annual deferred share awards or stock units representing fees that non-employee directors have elected to defer under Marriott International's Stock Plan. The combined numbers of shares (a) subject to deferred share awards, and (b) in stock unit accounts of Marriott International's non-employee directors as of August 31, 2011, were as follows: John W. Marriott III: 798 shares. Share awards and stock units do not carry voting rights and are not transferable. Share awards and stock units are distributed following retirement as a director.

(12) Includes the following 2,574,067 shares that Richard E. Marriott reports as beneficially owned, in addition to the 1,926,245 shares referred to in footnote (7): (a) 2,044,315 shares directly held; (b) 28,326 shares owned by Richard E. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of these shares); (c) 147,280 shares owned by four trusts for the benefit of Richard E. Marriott's children, for which his spouse serves as a co-trustee; (d) 341,966 shares owned by First Media, L.P., a limited partnership whose general partner is a corporation in which Richard E. Marriott is the controlling voting shareholder; and (e) 12,182 shares owned by the Richard E. and Nancy P. Marriott Foundation, for which Richard E. Marriott and his spouse serve as directors and officers. Richard E. Marriott's address is Host Hotels & Resorts, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817.

(13) Includes the following 1,175,571 shares that Stephen G. Marriott reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 105,532 shares directly held; (b) 55,825 shares held by a trust for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) above); (c) 79,582 shares held by two trusts for the benefit of Stephen G. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) above); (d) 4,370 shares held by Stephen G. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 4,658 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees (Mr. Marriott disclaims beneficial ownership of such shares)(included in footnote 9(e) above); (f) 22,123 shares owned by three trusts for the benefit of Stephen G. Marriott's children, for which Stephen G. Marriott and the spouses of Stephen G. Marriott and J.W. Marriott, Jr. serve as co-trustees; (g) 5,931 shares subject to stock options, SARs and RSUs currently exercisable or exercisable within 60 days after August 31, 2011; and (h) 897,550 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which Stephen G. Marriott serves as co-trustee with J.W. Marriott, Jr. and Richard E. Marriott (included in footnote 2(b) above). Stephen G. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20517.

(14) Includes the following 208,363 shares that David S. Marriott reports as beneficially owned in addition to the shares referred to in footnote (2): (a) 83,750 shares directly held; (b) 67,053 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr.'s spouse and an unrelated person serve as co-trustees (included in footnote 9(d) above); (c) 49,555 shares held by a trust for the benefit of David S. Marriott, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees (included in footnote 7(a) above); (d) 533 shares held by David S. Marriott's spouse (Mr. Marriott disclaims beneficial ownership of such shares); (e) 6,543 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott, his spouse and John W. Marriott III serve as co-trustees; and (f) 929 shares subject to stock options and RSUs currently exercisable or exercisable within 60 days after August 31, 2011. David S. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20517.

(15) This information was derived from information regarding Marriott International common stock in a Schedule 13G/A filed on February 11, 2011 by T. Rowe Price Associates, Inc. According to the Schedule 13G/A, as of December 31, 2010 T. Rowe Price and Associates, Inc. beneficially owned 47,221,951 shares of Marriott International common stock, with sole voting power as to 13,804,913 shares and sole dispositive power as to 47,221,951 shares. T. Rowe Price Associates, Inc.'s address is 100 E. Pratt Street, Baltimore, Maryland 21202.

DESCRIPTION OF CAPITAL STOCK

Authorized Capital Stock

Prior to the distribution date, our Board and Marriott International, as our sole shareholder, will approve and adopt restated versions of our Charter and Bylaws. Under our Charter authorized capital stock will consist of 100 million shares of our common stock, par value $0.01 per share, and 2 million shares of our preferred stock, par value $0.01 per share.

Common Stock

We estimate that approximately 33,632,000 shares of our common stock will be issued and outstanding immediately after the spin-off, based on the number of shares of Marriott International common stock that we expect will be outstanding as of the record date. The actual number of shares of our common stock outstanding following the spin-off will be determined on November 10, 2011, the record date.

Dividend Rights. Subject to the rights, if any, of the holders of any outstanding series of our preferred stock, holders of our common stock will be entitled to receive dividends out of any of our funds legally available when, as and if declared by the Board.

Voting Rights. Each holder of our common stock is entitled to one vote per share on all matters on which shareholders are generally entitled to vote. Our Charter does not provide for cumulative voting in the election of directors.

Liquidation. If we liquidate, dissolve or wind up our affairs, holders of our common stock are entitled to share proportionately in the assets of Marriott Vacations Worldwide available for distribution to shareholders, subject to the rights, if any, of the holders of any outstanding series of our preferred stock.

Other Rights. All of our outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock we will issue in connection with the spin-off also will be fully paid and nonassessable. The holders of our common stock have no preemptive rights and no rights to convert their common stock into any other securities, and our common stock is not subject to any redemption or sinking fund provisions.

Preferred Stock

Under our Charter and subject to the limitations prescribed by law, our Board may issue our preferred stock in one or more series, and may establish from time to time the number of shares to be included in such series and may fix the designation, powers, privileges, preferences and relative participating, optional or other rights, if any, of the shares of each such series and any qualifications, limitations or restrictions thereof. See "—Anti-Takeover Effects of Provisions of Our Charter and Bylaws."

Our preferred stock will, if issued, be fully paid and nonassessable. When and if we issue preferred stock, we will establish the applicable preemptive rights, dividend rights, voting rights, conversion privileges, redemption rights, sinking fund rights, rights upon voluntary or involuntary liquidation, dissolution or winding up and any other relative rights, preferences and limitations for the particular preferred stock series.

Anti-Takeover Effects of Provisions of Our Charter and Bylaws

Our Charter, our Bylaws and Delaware statutory law contain provisions that could make acquisition of our company by means of a tender offer, a proxy contest or otherwise more difficult. These provisions are expected to discourage certain types of coercive takeover practices and takeover bids that our Board may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or

unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms. The description set forth below is only a summary and is qualified in its entirety by reference to our Charter and Bylaws, which we will attach as exhibits to our Registration Statement on Form 10.

Classified Board of Directors. Our Charter provides for a classified board of directors consisting of three classes of directors. Directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year our shareholders will elect one class of our directors. The directors designated as Class I directors will have terms expiring at the first annual meeting of shareholders following the spin-off, the directors designated as Class II directors will have terms expiring at the second annual meeting of shareholders following the spin-off, and the directors designated as Class III directors will have terms expiring at the third annual meeting of shareholders following the spin-off.

We believe that a classified board structure facilitates continuity and stability of leadership and policy by helping ensure that, at any given time, a majority of our directors will have prior experience as directors of our company and will be familiar with our business and operations. In our view, this will permit more effective long-term planning and help create long-term value for our shareholders. The classified board structure, however, could prevent a party who acquires control of a majority of our outstanding voting stock from obtaining control of our Board until the second annual shareholders' meeting following the date that party obtains control of a majority of our voting stock. The classified board structure may discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to obtain control of us, as the structure makes it more difficult for a shareholder to replace a majority of our directors.

Number of Directors; Filling Vacancies; Removal. Our Bylaws provide that our business and affairs will be managed by our Board. Our Charter and Bylaws provide that the Board will consist of such number of directors as is determined by a resolution adopted by the majority of directors then in office. In addition, our Charter provides that any board vacancy, including a vacancy resulting from an increase in the number of directors, may be filled solely by the affirmative vote of a majority of the remaining directors then in office and entitled to vote, even though that may be less than a quorum of the Board. Our Charter and Bylaws also provide that any director, or the entire Board, may be removed from office at any time, with cause, only by the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors, voting as a single class. These provisions will prevent shareholders from removing incumbent directors without cause and filling the resulting vacancies with their own nominees.

Notwithstanding the foregoing, our Charter and Bylaws provide that whenever the holders of any class or series of our preferred stock have the right to elect additional directors under specified circumstances, the election, removal, term of office, filling of vacancies and other features of such directorships will be governed by the terms of the applicable certificate of designation.

Special Meetings. Our Charter and Bylaws provide that, subject to the rights of any class or series of our preferred stock, special meetings of the shareholders may only be called by the Board or the Chairman of the Board with the concurrence of a majority of the entire Board. These provisions make it more difficult for shareholders to take action opposed by our Board.

No Shareholder Action by Written Consent. Our Charter requires that all actions to be taken by shareholders must be taken at a duly called annual or special meeting, and shareholders are not permitted to act by written consent. These provisions make it more difficult for shareholders to take action opposed by our Board.

Approval of Reorganization, Merger or Consolidation. Our Charter requires the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our common stock entitled to vote generally in the election of directors, voting as a single class, for the approval of any proposal for our company to merge or consolidate with any other entity where a vote is otherwise required by law, or sell, lease or exchange substantially all of its assets or business.

Amendments to Our Charter and Bylaws. Our Charter provides that, notwithstanding any other provision of our Charter, the affirmative vote of the holders of at least 66 2/3 percent of the total voting power of the outstanding shares of our common stock entitled to vote generally in the election of directors, voting as a single class, will be required to: (1) amend or repeal, or adopt any provision inconsistent with, the provisions in our Charter relating to the number, classification, term and election of directors; the removal of directors; shareholder action by written consent; shareholders' ability to call special meetings; approval of a merger, consolidation or sale of substantially all of our assets; and (2) amend, adopt or repeal any provision of our Bylaws. These provisions will make it more difficult for shareholders to make changes to our Charter and Bylaws that are opposed by our Board.

Advance Notice Provisions for Shareholder Nominations and Shareholder Proposals. Our Bylaws establish an advance notice procedure for shareholders to make nominations of candidates for election to the Board or to bring other business before an annual shareholders' meeting (the "Notice Procedures").

Subject to the terms of any class or series of our preferred stock, our Notice Procedures provide that nominations for election to the Board or the proposal of business other than such nominations may be made (1) pursuant to our notice of meeting, (2) by or at the direction of our Board or (3) by any shareholder of record (a "Record Shareholder") who has complied with the Notice Procedures at the time such shareholder delivers the notice required by the Notice Procedures. Under the Notice Procedures, a Record Shareholder's director nomination will not be timely unless such Record Shareholder delivers written notice to our corporate secretary of such Record Shareholder's nomination or intent to nominate at our principal executive offices not later than close of business on the 90th day nor earlier than the close of business on the 120th day before the one-year anniversary of the prior year's annual meeting; provided that if no annual meeting was held in the preceding year, if the annual meeting is convened more than 30 days before or delayed by more than 70 days after the one-year anniversary of the prior year's annual meeting, or if directors are being nominated at a special meeting, notice will be timely if delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the 90th day prior to such meeting or the tenth day following the date on which we first make a public announcement of such meeting. These provisions do not apply if a shareholder has notified us of his or her intention to present a shareholder proposal at an annual or special shareholders' meeting under and in compliance with Rule 14a-8 under the Exchange Act and we have included such proposal in our proxy materials.

Under the Notice Procedures, a shareholder's notice proposing to nominate a person for election as a director or to bring other business before an annual shareholders' meeting must contain certain information, as set forth in our Bylaws. Only persons nominated in accordance with the Notice Procedures will be eligible to serve as directors and only such business that has been brought before the meeting in accordance with these Notice Procedures will be conducted at an annual shareholders' meeting.

By requiring advance notice of nominations by shareholders, the Notice Procedures will afford our Board an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by our Board, to inform shareholders about such qualifications. By requiring advance notice of other proposed business, the Notice Procedures will also provide an orderly procedure for conducting annual meetings of shareholders and, to the extent deemed necessary or desirable by our Board, will provide our Board with an opportunity to inform shareholders of any business proposed for such meetings and make recommendations on action to be taken on such business, so that shareholders can better decide whether to attend the meeting or to grant a proxy for the disposition of any such business.

Contests for the election of directors or the consideration of shareholder proposals will be precluded if the proper procedures are not followed. Third parties may therefore be discouraged from conducting a solicitation of proxies to elect their own slate of directors or to approve their own proposals.

Our Preferred Stock. Our Charter authorizes our Board to provide for series of our preferred stock and, for each such series, to fix the number of shares and designation, and any voting powers, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions.

We believe that our Board's ability to issue preferred stock will provide us with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of our preferred stock, as well as shares of common stock, will be available for issuance without further shareholder action, unless applicable law or applicable stock exchange or automated stock quotation system rules require such action. The NYSE currently requires shareholder approval as a prerequisite to listing shares in several instances, including where the present or potential issuance of shares could increase the number of shares of common stock outstanding or the amount of voting securities outstanding by 20 percent.

Although our Board has no present intention of doing so, it could issue a series of our preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our Board will base any determination on issuing such shares on its judgment as to the best interests of the company and our shareholders. Our Board, in so acting, could issue preferred stock that has terms that could discourage an acquisition attempt through which an acquiror may be able to change the composition of our Board, even if a majority of our shareholders believes such a transaction is in the shareholders' best interests and even if shareholders might receive a premium over the then-current market price for their stock.

Section 203 of the Delaware General Corporation Law

Section 203 of the Delaware General Corporation Law (the "DGCL") provides that, subject to certain specified exceptions, a corporation will not engage in any "business combination" with any "interested shareholder" for a three-year period following the time that such shareholder becomes an interested shareholder unless (1) before that time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder, (2) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85 percent of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares) or (3) on or after such time, both the board of directors of the corporation and at least 66 2/3 percent of the outstanding voting stock which is not owned by the interested shareholder approves the business combination. Section 203 of the DGCL generally defines an "interested shareholder" to include (x) any person that owns 15 percent or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and owned 15 percent or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date and (y) the affiliates and associates of any such person. Section 203 of the DGCL generally defines a "business combination" to include (1) mergers and sales or other dispositions of 10 percent or more of the corporation's assets with or to an interested shareholder, (2) certain transactions resulting in the issuance or transfer to the interested shareholder of any stock of the corporation or its subsidiaries, (3) certain transactions which would increase the proportionate share of the stock of the corporation or its subsidiaries owned by the interested shareholder and (4) receipt by the interested shareholder of the benefit (except proportionately as a shareholder) of any loans, advances, guarantees, pledges, or other financial benefits.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who would be an "interested shareholder" to effect various business combinations with a corporation for a three-year period, although the certificate of incorporation or shareholder-adopted bylaws may exclude a corporation from the restrictions imposed under Section 203. Neither our Charter nor our Bylaws exclude Marriott Vacations Worldwide from the restrictions imposed under Section 203 of the DGCL. We anticipate that Section 203 may encourage companies interested in acquiring us to negotiate in advance with our Board since the shareholder approval requirement would not be applicable if our Board approves, prior to the time the shareholder becomes an interested shareholder, either the business combination or the transaction which results in the shareholder becoming an interested shareholder.

Transfer Agent and Registrar

The registrar and transfer agent for our common stock is BNY Mellon Shareowner Services.

Listing

Following the spin-off, our common stock will be listed on the NYSE under the ticker symbol "VAC."

Liability and Indemnification of Directors and Officers

Elimination of Liability of Directors. Our Charter provides that, to the fullest extent permitted by the DGCL, no director will be personally liable to us or to our shareholders for monetary damages for breach of fiduciary duty as a director. Notwithstanding this provision, pursuant to Section 102(b)(7) of the DGCL a director can be held liable (1) for any breach of the director's duty of loyalty to the company or our shareholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL (which concerns unlawful payments of dividends, stock purchases or redemptions), or (4) for any transaction from which the director derives an improper personal benefit.

While our Charter provides directors with protection from awards for monetary damages for breaches of their duty of care, it does not eliminate this duty. Accordingly, our Charter will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care. The provisions of our Charter described above apply to an officer of Marriott Vacations Worldwide only if he or she is a director of Marriott Vacations Worldwide and is acting in his or her capacity as director, and do not apply to officers of Marriott Vacations Worldwide who are not directors.

Indemnification of Directors, Officers and Employees. Our Bylaws require us to indemnify any person who was or is a party or is threatened to be made a party to, or was otherwise involved in, a legal proceeding by reason of the fact that he or she is or was a director or an officer of Marriott Vacations Worldwide or, while a director, officer or employee of Marriott Vacations Worldwide, is or was serving at our request as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent authorized by the DGCL, as it exists or may be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement by or on behalf of such person) actually and reasonably incurred in connection with such service. We are authorized under our Bylaws to carry directors' and officers' insurance protecting us, any director, officer, employee or agent of ours or another corporation, partnership, joint venture, trust or other enterprise, against any expense, liability or loss, whether or not we would have the power to indemnify the person under the DGCL. We may, to the extent authorized from time to time, indemnify any of our agents to the fullest extent permitted with respect to directors, officers and employees in our Bylaws.

The limitation of liability and indemnification provisions in our Charter and Bylaws may discourage shareholders from bringing a lawsuit against our directors for breach of fiduciary duty. These provisions also may reduce the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment in our common stock may be adversely affected to the extent we pay the costs of settlement and damage awards under these indemnification provisions.

By its terms, the indemnification provided for in our Bylaws is not exclusive of any other rights that the indemnified party may be or become entitled to under any law, agreement, vote of shareholders or directors, provisions of our Charter or Bylaws or otherwise. Any amendment, alteration or repeal of our Bylaws' indemnification provisions is, by the terms of our Bylaws, prospective only and will not adversely affect the rights of any indemnitee in effect at the time of any act or omission occurring prior to such amendment, alteration or repeal.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a Registration Statement on Form 10 for the shares of common stock that Marriott International shareholders will receive in the distribution. This information statement does not contain all of the information contained in the Form 10 and the exhibits to the Form 10. We have omitted some items in accordance with the rules and regulations of the SEC. For additional information relating to us and the spin-off, we refer you to the Form 10 and its exhibits, which are on file at the offices of the SEC. Statements contained in this information statement about the contents of any contract or other document referred to may not be complete, and in each instance, if we have filed the contract or document as an exhibit to the Form 10, we refer you to the copy of the contract or other documents so filed. We qualify each statement in all respects by the relevant reference.

You may inspect and copy the Form 10 and exhibits that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. In addition, the SEC maintains an Internet site at www.sec.gov, from which you can electronically access the Form 10, including its exhibits.

We maintain an Internet site at www.marriottvacationsworldwide.com. We do not incorporate our Internet site, or the information contained on that site or connected to that site, into the information statement or our Registration Statement on Form 10.

As a result of the distribution, we will be required to comply with the full informational requirements of the Exchange Act. We will fulfill those obligations with respect to these requirements by filing periodic reports and other information with the SEC.

We plan to make available, free of charge, on our Internet site our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, reports filed under Section 16 of the Exchange Act and amendments to those reports as soon as reasonably practicable after we electronically file or furnish those materials to the SEC.

You should rely only on the information contained in this information statement or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

INDEX TO FINANCIAL STATEMENTS

MARRIOTT VACATIONS WORLDWIDE CORPORATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of Marriott Vacations Worldwide Corporation:

We have audited the accompanying combined balance sheets of Marriott Vacations Worldwide Corporation as of December 31, 2010 and January 1, 2010, and the related combined statements of operations, divisional equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Marriott Vacations Worldwide Corporation at December 31, 2010 and January 1, 2010, and the combined results of its operations and its cash flows for each of the three years in the period ended December 31, 2010 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the combined financial statements, the Company changed its method of accounting for its qualified special purpose entities associated with past securitization transactions as a result of the adoption of Accounting Standards Update No. 2009-16, "Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets" and Accounting Standards Update No. 2009-17, "Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities," effective January 2, 2010.

/s/ Ernst & Young LLP

Miami, Florida
June 28, 2011

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF OPERATIONS
Fiscal Years 2010, 2009 and 2008
($ in millions)

	2010	2009	2008
REVENUES			
Sales of vacation ownership products, net	$ 635	$ 743	$1,104
Resort management and other services[1]	227	213	221
Financing[1]	188	119	82
Rental	187	175	178
Other	29	34	27
Cost reimbursements[1]	318	312	304
TOTAL REVENUES	1,584	1,596	1,916
EXPENSES			
Cost of vacation ownership products	247	314	430
Marketing and sales[1]	344	413	604
Resort management and other services[1]	196	170	192
Financing and other[1]	44	48	56
Rental[1]	194	199	170
General and administrative[1]	82	88	99
Interest	56	—	—
Restructuring	—	44	19
Impairment	15	623	44
Cost reimbursements[1]	318	312	304
TOTAL EXPENSES	1,496	2,211	1,918
Gains and other income	21	2	—
Equity in (losses) earnings	(8)	(12)	11
Impairment reversals (charges) on equity investment	11	(138)	—
INCOME (LOSS) BEFORE INCOME TAXES	112	(763)	9
(Provision) benefit for income taxes	(45)	231	(25)
NET INCOME (LOSS)	67	(532)	(16)
Add: Net losses attributable to noncontrolling interests, net of tax	—	11	25
NET INCOME (LOSS) ATTRIBUTABLE TO MARRIOTT VACATIONS WORLDWIDE	$ 67	$ (521)	$ 9

(1) See Footnote No. 19, “Related Party Transactions,” of the Notes to the Combined Financial Statements for disclosure of related party amounts.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED BALANCE SHEETS
Fiscal Year-End 2010 and 2009
($ in millions)

	2010	2009
ASSETS		
Cash and cash equivalents (including $0 and $6 from VIEs, respectively)	$ 26	$ 32
Restricted cash (including $45 and $0 from VIEs, respectively)	66	34
Accounts and contracts receivable (including $0 and $3 from VIEs, respectively)	100	101
Notes receivable (including $1,029 and $0 from VIEs, respectively)	1,254	414
Inventory (including $0 and $30 from VIEs, respectively)	1,412	1,377
Retained interests in securitized notes receivable	—	267
Property and equipment (including $0 and $1 from VIEs, respectively)	310	358
Deferred taxes	333	318
Other (including $7 and $0 from VIEs, respectively)	141	135
Total Assets	$3,642	$3,036
LIABILITIES AND DIVISIONAL EQUITY		
Accounts payable	$ 87	$ 81
Advance deposits	48	20
Accrued liabilities	92	150
Deferred revenue (including $0 and $3 from VIEs, respectively)	56	58
Payroll and benefits liability	72	56
Liability for Marriott Rewards loyalty program	220	255
Deferred compensation liability	64	61
Debt (including $1,017 and $6 from VIEs, respectively)	1,022	59
Other (including $4 and $4 from VIEs, respectively)	77	73
Total Liabilities	1,738	813
Contingencies and Commitments (Note 10)		
Divisional Equity		
Net Parent Investment	1,876	2,203
Accumulated other comprehensive income	28	20
	1,904	2,223
Total Liabilities and Divisional Equity	$3,642	$3,036

The abbreviation VIEs above means Variable Interest Entities.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF CASH FLOWS
Fiscal Years 2010, 2009 and 2008
($ in millions)

	2010	2009	2008
OPERATING ACTIVITIES			
Net income (loss)	$ 67	$(532)	$ (16)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	35	42	44
Gain on disposal of property and equipment, net	(21)	(2)	—
Income taxes	74	(214)	(33)
Equity method loss (income)	8	12	(11)
Impairment charges	15	623	44
Impairment (reversals) charges on equity investment	(11)	138	—
Restructuring (payments) charges, net	(8)	16	16
(Increase) decrease in fair value of retained interests in securitizations	—	(23)	13
Real estate inventory spending less than (in excess of) cost of sales	20	(4)	(315)
Notes receivable collections in excess of (less than) new mortgages	91	(145)	(525)
Proceeds from securitizations, net of repurchases[1]	—	349	283
Financially reportable sales less than closed sales	62	24	125
Notes receivable securitization gains	—	(37)	(16)
Increase (decrease) in accounts payable	6	(77)	7
All other, including other working capital changes	45	7	(8)
Net cash provided by (used in) operating activities	383	177	(392)
INVESTING ACTIVITIES			
Capital expenditures for property and equipment (excluding inventory)	(24)	(28)	(89)
Dispositions	46	1	—
Acquisition of equity method investee	—	—	(42)
Other	(1)	—	2
Net cash provided by (used in) investing activities	21	(27)	(129)
FINANCING ACTIVITIES			
Issuance of debt related to securitizations	218	—	—
Repayment of debt related to securitizations	(323)	—	—
Issuance of third party debt	—	—	41
Repayment of third party debt	(52)	(28)	(89)
Note advances	—	(32)	(52)
Note collections	—	6	14
Net transfers (to) from parent	(253)	(90)	606
Net cash provided by (used in) financing activities	(410)	(144)	520
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(6)	6	(1)
CASH AND CASH EQUIVALENTS, beginning of year	32	26	27
CASH AND CASH EQUIVALENTS, end of year	$ 26	$ 32	$ 26

(1) See Footnote No. 3, “Asset Securitizations,” of the Notes to the Combined Financial Statements.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
COMBINED STATEMENTS OF DIVISIONAL EQUITY
Fiscal Years 2010, 2009 and 2008
($ in millions)

	Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest, Net of Tax	Total Parent Company Equity	Comprehensive Income (Loss) Attributable to Marriott Vacations Worldwide Corporation
Balance at year-end 2007	$ 2,202	$ 21	$ 36	$ 2,259	
Impact of adoption of ASC 360[1]	(3)	—	—	(3)	
Opening balance 2008	2,199	21	36	2,256	
Net income (loss)	9	—	(25)	(16)	$ (16)
Currency translation adjustments	—	(7)	—	(7)	(7)
Other derivative instrument adjustments	—	7	—	7	7
Net transfers from Parent	606	—	—	606	$ (16)
Balance at year-end 2008	2,814	21	11	2,846	
Net loss	(521)	—	(11)	(532)	$ (532)
Currency translation adjustments	—	(1)	—	(1)	(1)
Net transfers to Parent	(90)	—	—	(90)	$ (533)
Balance at year-end 2009	2,203	20	—	2,223	
Impact of adoption of ASU 2009-17[1]	(141)	—	—	(141)	
Opening balance 2010	2,062	20	—	2,082	
Net income	67	—	—	67	$ 67
Currency translation adjustments	—	8	—	8	8
Net transfers to Parent	(253)	—	—	(253)	$ 75
Balance at year-end 2010	$ 1,876	$ 28	$ —	$ 1,904	

(1) The abbreviation ASC means Accounting Standards Codification, and the abbreviation ASU means Accounting Standards Update.

See Notes to Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our Business

Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide," "we" or "us," which includes our combined subsidiaries except where the context of the reference is to a single corporate entity) is the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand, and we have the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. The Ritz-Carlton Hotel Company, L.L.C. (a subsidiary of Marriott International) ("Ritz-Carlton") generally provides on-site management for Ritz-Carlton branded properties.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases; and renting vacation ownership inventory.

Our Spin-off from Marriott International, Inc.

On February 14, 2011, Marriott International, Inc. (together with its consolidated subsidiaries, excluding Marriott Vacations Worldwide, "Marriott International") announced plans for the separation of Marriott Vacations Worldwide, which represents 100 percent of our assets and liabilities, revenues, expenses, and cash flows, and those variable interest entities for which Marriott Vacations Worldwide is the primary beneficiary in accordance with Accounting Standards Codification 810, "*Consolidations*" ("ASC 810"), of the vacation ownership division of Marriott International, also referred to as the "spin-off." Prior to the spin-off, Marriott International will complete an internal reorganization to contribute its non-U.S. and U.S. subsidiaries that conduct vacation ownership business and Marriott Ownership Resorts, Inc., which does business under the name Marriott Vacation Club International, a wholly owned subsidiary of Marriott International, to Marriott Vacations Worldwide, a newly formed wholly owned subsidiary of Marriott International. The spin-off will be completed by way of a pro rata dividend of the Marriott Vacations Worldwide shares by Marriott International to its shareholders as of the record date. Immediately following completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. After the spin-off, Marriott Vacations Worldwide will operate as an independent, publicly traded company.

The distribution of our common stock to Marriott International shareholders is conditioned on, among other things, the receipt of a favorable ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional common shares; our registration statement on Form 10 becoming effective; and the execution of intercompany agreements. The transaction will not require shareholder approval and will have no impact on Marriott International's contractual obligations to the existing notes receivable securitizations further discussed in Footnote No. 3, "Asset Securitizations."

Principles of Combination and Basis of Presentation

The combined financial statements presented herein, and discussed below, have been prepared on a stand-alone basis and are derived from the consolidated financial statements and accounting records of Marriott

International. These combined financial statements have been prepared as if the reorganization described in the "Our Spin-off from Marriott International, Inc." caption above had taken place as of the earliest period presented. The combined financial statements reflect our historical financial position, results of operations and cash flows as we have historically operated, in conformity with United States generally accepted accounting principles ("GAAP"). All significant intracompany transactions and accounts within these Combined Financial Statements have been eliminated.

Our fiscal year ends on the Friday nearest to December 31. The fiscal years in the following table have 52 weeks, except for 2008, which has 53 weeks. Unless otherwise specified, each reference to a particular year in these financial statements means the fiscal year ended on the date shown in the following table, rather than the corresponding calendar year:

Fiscal Year	Fiscal Year-End Date
2010	December 31, 2010
2009	January 1, 2010
2008	January 2, 2009

We refer throughout to (i) our Combined Financial Statements as our "Financial Statements," (ii) our Combined Statements of Operations as our "Statements of Operations," (iii) our Combined Balance Sheets as our "Balance Sheets," (iv) our Combined Statements of Cash Flows as our "Cash Flows" and (v) Accounting Standards Update ("ASU") No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17"), which we adopted on the first day of the 2010 fiscal year, as the new "Consolidation Standard."

In accordance with the guidance for noncontrolling interests in combined financial statements, references in this report to net income (loss) and Net Parent Investment do not include noncontrolling interests (previously known as minority interests), which we report separately.

We have included all significant transactions between us and Marriott International in these Financial Statements. The net effect of the settlement of these intercompany transactions has been included in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

In connection with the spin-off, Marriott Vacations Worldwide will enter into agreements with Marriott International and other third parties that have either not existed historically, or that may be on different terms than the terms of the arrangement or agreements that existed prior to the spin-off. These Financial Statements do not reflect the impact of these new and/or revised agreements, including licensing fees payable to Marriott International, Marriott Rewards customer loyalty program arrangements, financing, operations and personnel needs of our business. Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements, but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by Marriott International to reflect a reasonable allocation to us of the actual costs incurred to perform these services. In addition, Marriott International allocated indirect general and administrative costs to us for certain functions provided by Marriott International. These services provided to us include, but are not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support, which were allocated to us primarily on the basis of our proportion of Marriott International's overall revenue. Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed

ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties. For an interim period some of these functions will continue to be provided by Marriott International under one or more transition services agreements ("TSA"). In addition to the TSA, we will enter into a number of commercial agreements with Marriott International in connection with the spin-off, many of which are expected to have terms longer than one year.

Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations. The majority of our domestic cash is transferred to Marriott International daily and Marriott International funds our operating and investing activities as needed. Accordingly, the cash and cash equivalents held by Marriott International at the corporate level were not allocated to us for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held locally by international entities included in our Financial Statements. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment on the Balance Sheets. We have included debt incurred from our limited direct financing and subsequent to the adoption of the new Consolidation Standard, historical notes receivable securitizations, on our Balance Sheets, as this debt is specific to our business. Marriott International has not allocated a portion of its external Senior Debt, commercial paper and/or revolver interest cost, other than capitalized interest, to us since none of the external Senior Debt, commercial paper and/or revolver interest recorded by Marriott International is directly related to our business. We also have not included any interest expense for cash advances from Marriott International since historically Marriott International has not allocated any interest expense related to intercompany advances to any of the historical Marriott International businesses.

Marriott International maintains self-insurance programs at a corporate level. Marriott International allocated a portion of expenses associated with these programs to us as part of the historical costs for services Marriott International provided. Marriott International did not allocate any portion of the related reserves as these reserves represent obligations of Marriott International which are not transferable. See Footnote No. 19, "Related Party Transactions," for further description of our transactions with Marriott International.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, revenue recognition, inventory valuation, property and equipment valuation, loan loss reserves, valuation of investments in ventures, residual interests valuation, Marriott Rewards customer loyalty program liabilities, equity-based compensation, income taxes, loss contingencies and restructuring charge reserves. Actual amounts may differ from these estimated amounts. For each of the periods presented, Marriott Vacations Worldwide was a subsidiary of Marriott International. The Financial Statements may not be indicative of our future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had we operated as an independent, publicly traded company during the periods presented.

Adoption of New Accounting Standard Resulting in Consolidation of Special Purpose Entities

On January 2, 2010, the first day of our 2010 fiscal year, we adopted the new Consolidation Standard.

We use certain special purpose entities to securitize notes receivable originated with the sale of vacation ownership products, which prior to our adoption of the new Consolidation Standard were treated as off-balance sheet entities. We retain the servicing rights and varying subordinated interests ("residual interests") in the securitized notes receivable. Pursuant to GAAP in effect prior to 2010, we did not consolidate these special purpose entities in our Financial Statements because the notes receivable securitization transactions were executed through qualified special purpose entities and qualified as sales of financial assets. As a result of adopting the new Consolidation Standard on the first day of 2010, we consolidated 13 existing qualifying special purpose entities associated with past notes receivable securitization transactions.

We recorded the cumulative effect of adopting this standard in 2010. This consisted primarily of re-establishing the notes receivable (net of reserves) that we had transferred to special purpose entities as a result of the notes receivable securitization transactions, eliminating residual interests that we initially recorded in connection with those transactions (and subsequently revalued on a periodic basis), the impact of recording debt obligations associated with third-party interests held in the special purpose entities, and related adjustments to inventory balances accounted for using the relative sales value method. Through application of the relative sales value method, we adjusted the projected revenues to include anticipated future revenue from the resale of inventory that we expect to reacquire when we foreclose on defaulted notes receivable, thus reducing the inventory balance.

Adopting the new Consolidation Standard had the following after-tax impact on our Balance Sheet at January 2, 2010:

($ in millions)	Implementation Impact
Assets	
Restricted cash	$ 49
Notes receivable	986
Inventory	100
Retained interests in notes receivable securitized	(267)
Other	107
Total Assets	$ 975
Liabilities	
Accounts payable	$ 5
Debt	(1,121)
Total Liabilities	(1,116)
Divisional Equity, net of tax	141
Total Liabilities and Divisional Equity	$ (975)

Adopting the new Consolidation Standard also impacted our 2010 Statement of Operations by increasing interest income (reflected in Financing revenues) from securitized notes receivable and increasing interest expense from consolidation of debt obligations, partially offset by the absence of accretion income on eliminated residual interests and gain on notes receivable that were ultimately securitized. We do not expect to recognize gains or losses from future securitizations of our notes receivable as a result of adopting this standard. The impact to our Cash Flows at January 2, 2010, as a result of adopting this standard was insignificant as the associated increases in assets and liabilities were primarily non-cash.

Revenue Recognition

Vacation Ownership

We market and sell real estate and in substance real estate in our four segments. Real estate and in substance real estate include deeded vacation ownership products, deeded beneficial interests, rights to use real estate, and other interests in trusts that only hold real estate and deeded whole ownership units in residential buildings. Within the Luxury segment, we also market and sell residential stand-alone structures at certain properties on a limited basis.

Our sales of vacation ownership products may be made for cash or we may provide financing. We do not provide financing on sales of whole ownership products. Except for revenue from the sale of residential stand-alone structures, which we recognize upon transfer of title to a third party, we recognize revenue when all of the following exist or are true: the customer has executed a binding sales contract, the statutory rescission period has

expired (after which time the purchasers are not entitled to a refund except for non-delivery by us), we have deemed the receivable collectible and the remainder of our obligations are substantially completed. In addition, before we recognize any revenues, the purchaser must have met the initial investment criteria and, as applicable, the continuing investment criteria. A purchaser has met the initial investment criteria when we receive a minimum downpayment. In accordance with the guidance for accounting for real estate time-sharing transactions, we must also take into consideration the fair value of certain incentives provided to the purchaser when assessing the adequacy of the purchaser's initial investment. In those cases where we provide financing to the purchaser, the purchaser must be obligated to remit monthly payments under financing contracts that represent the purchaser's continuing investment.

If construction of the purchased vacation ownership product is not complete, we apply the percentage-of-completion ("POC") method of accounting provided that the preliminary construction stage is complete and that a minimum sales level has been met (to assure that the property will not revert to a rental property). We deem the preliminary stage of development to be complete when the engineering and design work is complete, the construction contracts have been executed, the site has been cleared, prepared and excavated, and the building foundation is complete. We determine completion percentage by the proportion of inventory costs incurred to total estimated costs. We base these estimated costs on our historical experience, market conditions and the related contractual terms. The remaining revenues and related costs of sales, including commissions and direct expenses, are deferred and recognized as the remaining costs are incurred.

Financing Revenues

We offer consumer financing as an option to qualifying customers purchasing vacation ownership products, which is typically collateralized by the underlying vacation ownership products. We recognize interest income on an accrual basis. The contractual terms of the financing agreements require that the contractual level of annual principal payments be sufficient to amortize the loan over a customary period for the vacation ownership product being financed, which is generally ten years. Generally payments commence under the financing contracts 30 to 60 days after closing and upon receipt of a minimum downpayment of 10 percent. We record an estimate of uncollectible amounts at the time of the sale with a charge to the provision for loan losses, which we classify as a reduction of Sales of vacation ownership products on our Statements of Operations. Revisions to estimates of uncollectible amounts also impact the provision for loan losses and can increase or decrease revenue. We earn interest income from the financing arrangements on the principal balance outstanding over the life of the arrangement and record that interest income in Financing revenues on our Statements of Operations.

Rental Revenues

We record rental revenues when occupancy has occurred or, in the case of unused prepaid rentals, upon forfeiture.

Resort Management and Other Services Revenues

Resort management and other services revenues consist primarily of ancillary revenues and management fees. Ancillary revenues consist of goods and services that are sold or provided by us at restaurants, golf courses and other retail and service outlets located at developed resorts. We recognize ancillary revenue when goods have been provided and/or services have been rendered.

We provide day-to-day-management services, including housekeeping services, operation of a reservation system, maintenance and certain accounting and administrative services for property owners' associations. We receive compensation for such management services which is generally based on either a percentage of total costs to operate such resorts or a fixed fee arrangement. We recognize revenues when earned in accordance with the terms of the contract and record them as a component of Resort management and other services revenues on our Statements of Operations. Management fee revenues were $60 million, $56 million and $49 million during 2010, 2009 and 2008, respectively.

Fee Revenues

Both Financing revenues and Resort management and other services revenues include additional fees for services we provide to our property owners' associations, as well as certain annual and transaction based fees we charge to owners and other third parties for services. We recognize fee revenues when services have been rendered. Fee revenues included in Financing revenues were $7 million in 2010, $8 million in 2009 and $9 million in 2008 on our Statements of Operations. Fee revenues included in Resort management and other services revenues were $10 million in 2010, $5 million in 2009 and $2 million in 2008 on our Statements of Operations.

Cost Reimbursements

Cost reimbursements include direct and indirect costs that property owners' associations and joint ventures reimbursed to us. In accordance with the accounting guidance for gross versus net presentation, we record these revenues on a gross basis. These costs primarily consist of payroll and payroll related costs for management of the associations and other services we provide where we are the employer. We recognize cost reimbursements when we incur the related reimbursable costs. Cost reimbursements are based upon actual expenses with no added margin.

Inventory

Our inventory consists of completed vacation ownership product, vacation ownership product under construction and land held for future vacation ownership product development. We carry our inventory at the lower of (i) cost, including costs of improvements and amenities incurred subsequent to acquisition, capitalized interest, real estate taxes plus other costs incurred during construction, or (ii) estimated fair value, less costs to sell, which can result in impairment charges and/or recoveries of previous impairments.

We account for vacation ownership inventory and cost of vacation ownership products in accordance with time-sharing accounting standards, which define a specific application of the relative sales value method for reducing vacation ownership inventory and recording cost of sales as described in our policy for revenue recognition for vacation ownership products. Also, pursuant to time-sharing accounting standards, we do not reduce inventory for cost of vacation ownership products related to anticipated credit losses (accordingly, no adjustment is made when inventory is reacquired upon default of the related receivable). These standards provide for changes in estimates within the relative sales value calculations to be accounted for as real estate inventory true-ups which are recorded in Cost of vacation ownership expenses on the Statements of Operations to retrospectively adjust the margin previously recorded subject to those estimates. For 2010, 2009 and 2008, real estate true-ups relating to vacation ownership products increased carrying values of inventory by $6 million, $11 million and $39 million, respectively.

For residential real estate projects, we allocate costs to individual residences in the projects based on the relative estimated sales value of each residence in accordance with ASC 970, "*Real Estate—General*," which defines the accounting for costs of real estate projects. Under this method, we reduce the allocated cost of a unit from inventory and recognize that cost as cost of sales when we recognize the related sale. Changes in estimates within the relative sales value calculations for residential products (similar to condominiums) are accounted for as prospective adjustments to cost of sales.

Capitalization of Costs

We capitalize interest and certain salaries and related costs incurred in connection with the following: (1) development and construction of sales centers; (2) internally developed software; and (3) development and construction projects for our real estate inventory. We capitalize interest expense and costs clearly associated with the acquisition, development and construction of a real estate project when it is probable that we will

acquire a property or an option to acquire a property. We capitalize salary and related costs only to the extent they directly relate to the project. We capitalize taxes and insurance costs when activities that are necessary to get the property ready for its intended use are underway. We cease capitalization of costs during prolonged gaps in development when substantially all activities are suspended or when projects are considered substantially complete (e.g., typically three months after a project phase receives a certificate of occupancy). Capitalized salaries and related costs totaled $19 million, $28 million and $38 million for 2010, 2009 and 2008, respectively.

Defined Contribution Plan

Marriott International administers and maintains a defined contribution plan ("401(k)") for the benefit of all Marriott International employees meeting certain eligibility requirements who elect to participate in the plan. Contributions are determined based on a specified percentage of salary deferrals by participating employees. We recognized compensation expense (net of cost reimbursements from property owners' associations) for our participating employees totaling $6 million in 2010, $8 million in 2009 and $11 million in 2008.

Property and Equipment

Property and equipment includes our sales centers, golf courses, information technology and other assets used in our normal course of business, as well as land parcels that are not part of our approved development plan. We record property and equipment at cost, including interest and real estate taxes incurred during active development. We capitalize the cost of improvements that extend the useful life of property and equipment when incurred. These capitalized costs may include structural costs, equipment, fixtures, floor and decorative items and signage. We expense all repair and maintenance costs as incurred. We compute depreciation using the straight-line method over the estimated useful lives of the assets (three to 40 years), and we amortize leasehold improvements over the shorter of the asset life or lease term.

Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program and we offer points as incentives to purchase vacation ownership products and/or through exchange and other activities. Marriott International maintains and administers this program and points cannot be redeemed for cash.

Our liability represents the net present value of future cash outlays that we are obligated to pay to participating locations (*e.g.*, Marriott International lodging properties) based on actual point redemptions at those locations. We based the carrying value of this liability on a statistical model that projects the dollar value and timing of future point redemptions. The most significant estimates involved are the future cost of each 1,000 redeemed points, the breakage for points that will never be redeemed, and the pace at which points are redeemed. We based our estimates for these items on our historical experience, current trending and other considerations. Actual experience could differ from our projections so the actual discounted future cash outlays associated with our Marriott Rewards customer loyalty liability could differ from the amounts currently recorded. The associated expense is classified in the Statements of Operations based on the source of the expense and related revenue stream. See Footnote No. 12, "Other Liabilities," for more information.

Guarantees

We record a liability for the fair value of a guarantee on the date we issue or modify the guarantee. The offsetting entry depends on the circumstances in which the guarantee was issued. Funding under the guarantee reduces the recorded liability. On a quarterly basis, we evaluate all material estimated liabilities based on the operating results and the terms of the guarantee. If we conclude that it is probable that we will be required to fund a greater amount than previously estimated, we will record a loss.

Cash and Cash Equivalents

We consider all highly liquid investments with an initial maturity of three months or less at date of purchase to be cash equivalents.

Restricted Cash

Restricted cash primarily consists of cash held in a reserve account related to notes receivable securitizations; cash held internationally that we have not repatriated due to statutory, tax and currency risks; and deposits received, primarily associated with vacation ownership products and residential sales that are held in escrow until the associated contract has closed.

Accounts and Contracts Receivable

Accounts and contracts receivable are presented net of allowances of $1 million and $2 million at year-end 2010 and 2009, respectively.

Loan Loss Reserves

Vacation Ownership Notes Receivable

We record an estimate of expected uncollectibility on all notes receivable from vacation ownership purchasers as a reduction of revenues from the sales of vacation ownership products at the time we recognize profit on a vacation ownership product sale. We fully reserve all defaulted notes receivable in addition to recording a reserve on the estimated uncollectible portion of the remaining notes receivable. For those notes receivable not in default, we assess collectability based on pools of notes receivable because we hold large numbers of homogeneous vacation ownership notes receivable. We use the same criteria to estimate uncollectability for non-securitized notes receivable and securitized notes receivable because they perform similarly. We estimate uncollectibility for each pool based on historical activity for similar vacation ownership notes receivable.

Although we consider loans to owners to be past due if we do not receive payment within 30 days of the due date, we suspend accrual of interest only on those that are over 90 days past due. We consider loans over 150 days past due to be in default. We apply payments we receive for notes receivable on non-accrual status first to interest, then principal and any remainder to fees. We resume accruing interest when notes receivable are less than 90 days past due. We do not accept payments for notes receivable during the foreclosure process unless the amount is sufficient to pay all principal, interest, fees and penalties owed and fully reinstate the note. We write off uncollectible notes receivable against the reserve once we receive title of the vacation ownership products through the foreclosure or deed-in-lieu process or in Europe and Asia Pacific, when revocation is complete. At year-end 2010, we estimated an average remaining default rate of 9.25 percent for both non-securitized and securitized vacation ownership notes receivable. An increase of 0.5 percent in the estimated default rate would have resulted in an increase in our allowance for credit losses of $6 million.

For additional information on our notes receivable, including information on the related reserves, see Footnote No. 4, “Notes Receivable.”

Other Loans Receivable

On a regular basis, we individually assess other loans receivable for impairment. We use internally generated cash flow projections to determine if we expect the notes receivable will be repaid according to the terms of the loan agreements. If we conclude that a loan probably will not be repaid in accordance with the loan agreement, we consider the loan impaired and begin recognizing interest income on a cash basis. To measure impairment, we calculate the present value of expected future cash flows discounted at the loan’s original effective interest rate or the estimated fair value of the collateral. If the present value or the estimated value of collateral is less than the carrying value of the note receivable, we establish a specific impairment reserve for the difference.

It is our policy to charge off notes receivable that we believe will likely not be collected based on financial or other business indicators, including our historical experience, in the quarter we deem the note receivable to be uncollectible.

Costs Incurred to Sell Vacation Ownership Products

We charge the majority of marketing and sales costs we incur to sell vacation ownership products to expense when incurred. Deferred marketing and selling expenses, which are direct marketing and selling costs related either to an unclosed contract or a contract for which 100 percent of revenue has not yet been recognized, were $6 million at year-end 2010 and $5 million at year-end 2009 and are included in the accompanying Balance Sheets in the Other caption within Assets.

Valuation of Property and Equipment

Property and equipment includes our sales centers, golf courses, information technology and other assets used in our normal course of business, as well as land parcels that are not part of an approved development plan and do not meet the criteria to be classified as held for sale. We test long-lived asset groups for recoverability when changes in circumstances indicate the carrying value may not be recoverable, for example, when there are material adverse changes in projected revenues or expenses, significant underperformance relative to historical or projected operating results, and significant negative industry or economic trends. We also perform a test for recoverability when management has committed to a plan to sell or otherwise dispose of an asset group and we expect the plan will be completed within a year. We evaluate recoverability of an asset group by comparing its carrying value to the future net undiscounted cash flows that we expect will be generated by the asset group. If the comparison indicates that the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess of carrying value over the estimated fair value. When we recognize an impairment loss for assets to be held and used, we depreciate the adjusted carrying amount of those assets over their remaining useful life. Refer to Footnote No. 9, “Property and Equipment,” for additional information.

For information on impairment losses that we recorded associated with long lived assets, see Footnote No. 17, “Impairment Charges.”

Investments

We consolidate entities that we control. We account for investments in joint ventures using the equity method of accounting when we exercise significant influence over the venture. If we do not exercise significant influence, we account for the investment using the cost method of accounting. We account for investments in limited partnerships and limited liability companies using the equity method of accounting when we own more than a minimal investment. Our ownership interest in these equity method investments varies generally from 34 percent to 50 percent.

Valuation of Investments in Ventures

We evaluate an investment in a venture for impairment when circumstances indicate that the carrying value may not be recoverable, for example due to loan defaults, significant under-performance relative to historical or projected performance and significant negative industry or economic trends.

We impair investments we have accounted for using the equity and cost methods of accounting when we determine that there has been an “other than temporary” decline in the estimated fair value as compared to the carrying value, of the venture. Additionally, a change in business plans or strategies of a venture could cause us to evaluate the recoverability for the individual long-lived assets in the venture and possibly the venture itself.

We calculate the estimated fair value of an investment in a venture using the income approach. We use internally developed discounted cash flow models that include the following assumptions, among others: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and

demand trends; expected future investments; and estimated discount rates. We base these assumptions on our historical data and experience, third-party appraisals, industry projections, micro and macro general economic condition projections, and our expectations.

For information regarding impairment losses that we recorded associated with investments in ventures, see Footnote No. 18, “Significant Investments.”

Fair Value Measurements

We have various financial instruments we must measure at fair value on a recurring basis, including certain marketable securities and derivatives Marriott International holds that are specific to our business. See Footnote No. 5, “Fair Value Measurements,” for further information. We also apply the provisions of fair value measurement to various non-recurring measurements for our financial and non-financial assets and liabilities.

The applicable accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). We measure our assets and liabilities using inputs from the following three levels of the fair value hierarchy:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (*i.e.*, interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 includes unobservable inputs that reflect our assumptions about what factors market participants would use in pricing the asset or liability. We develop these inputs based on the best information available, including our own data.

Residual Interests

We periodically securitize notes receivable that we originate from the sale of vacation ownership products. We continue to service those notes receivable after securitization, transfer all proceeds collected to special purpose entities and retain servicing assets and other interests in the notes receivable. Before we adopted the new Consolidation Standard, we accounted for these residual interests as trading securities under the then-applicable standards for accounting for certain investments in debt and equity securities. At the dates of the notes receivable securitizations and at the end of each reporting period, we estimated the fair value of our residual interests using a Level 3 discounted cash flow model.

We historically measured our servicing assets using the fair value method. Under the fair value method, we carried servicing assets on the Balance Sheets at fair value and reported the changes in fair value, primarily due to changes in valuation inputs and assumptions and the collection or realization of expected cash flows, in the Financing revenues caption on our Statements of Operations in the period in which the change occurred.

As a result of our 2010 adoption of the new Consolidation Standard, we eliminated residual interests from our Balance Sheet. See the “Adoption of New Accounting Standard Resulting in Consolidation of Special Purpose Entities” caption of this footnote, Footnote No. 3, “Asset Securitizations,” and Footnote No. 5, “Fair Value Measurements,” for additional information.

Derivative Instruments

Marriott International uses a worldwide centralized approach to manage financial instruments to reduce its overall market risk due to changes in interest rates and currency exchange rates. Marriott International managed our exposure to these risks by monitoring available financing alternatives, as well as through development and application of credit granting policies. Marriott International also used derivative instruments, including cash flow hedges, net investment in non-U.S. operations hedges, fair value hedges, and other derivative instruments, as part of Marriott International's overall strategy to manage our exposure to market risks. As a matter of policy, Marriott International only enters into transactions that Marriott International believes will be highly effective at offsetting the underlying risk, and does not use derivatives for trading or speculative purposes. See Footnote No. 5, "Fair Value Measurements," for additional information about derivative instruments specific to our business.

The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determines how the change in fair value of the derivative instrument is recorded in our Financial Statements. A derivative qualifies for hedge accounting if, at inception, Marriott International expects the derivative to be highly effective in offsetting the underlying hedged cash flows or fair value and Marriott International fulfills the hedge documentation standards at the time Marriott International enters into the derivative contract. Marriott International designates a hedge as a cash flow hedge, fair value hedge, or a net investment in non-U.S. operations hedge based on the exposure Marriott International is hedging. The asset or liability value of the derivative will change in tandem with its fair value. For the effective portion of qualifying hedges, Marriott International records changes in fair value in other comprehensive income ("OCI"). Marriott International releases the derivative's gain or loss from OCI to match the timing of the underlying hedged items' effect on earnings.

For the purposes of our Financial Statements, we allocate hedges related to our business that Marriott International transacted as of the balance sheet dates. Then, we mark-to-market the gains and losses on the allocated hedges, record the effective portion in OCI, and include the ineffective portion in Financing revenues within our Statements of Operations. For cash flow hedges specific to our business, we have recorded changes in fair value in OCI. We release the derivative's gain or loss from OCI to match the timing of the underlying hedge items' effect on earnings.

Non-U.S. Operations

The U.S. dollar is the functional currency of our combined entities operating in the United States. The functional currency for our combined entities operating outside of the United States is generally the currency of the economic environment in which the entity primarily generates and expends cash. For combined entities whose functional currency is not the U.S. dollar, we translate their financial statements into U.S. dollars. We translate assets and liabilities at the exchange rate in effect as of the financial statement date, and translate Statement of Operations accounts using the weighted average exchange rate for the period. We include translation adjustments from currency exchange and the effect of exchange rate changes on intercompany transactions of a long-term investment nature as a separate component of divisional equity. We report gains and losses from currency exchange rate changes related to intercompany receivables and payables that are not of a long-term investment nature, as well as gains and losses from non-U.S. currency transactions, currently in operating costs and expenses.

Restructuring

In the fourth quarter of 2008, we put company-wide cost-saving measures in place that constituted a restructuring plan and resulted in charges in 2008 and 2009. At year-end 2010, we had liabilities related to the plan, which relate primarily to the facilities exit costs associated with lease obligations. Adjustments to the restructuring liabilities are recorded as facts and circumstances impact our obligations. See Footnote No. 16, "Restructuring Costs and Other Charges," for more information.

Legal Contingencies

We are subject to various legal proceedings and claims, the outcomes of which are subject to significant uncertainty. We record an accrual for legal contingencies when we determine that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations we evaluate, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, our ability to make a reasonable estimate of the loss. We review these accruals each reporting period and make revisions based on changes in facts and circumstances.

Share-Based Compensation Costs

Certain of our employees participate in the Marriott International, Inc. Stock and Cash Incentive Plan (the "Marriott International Stock Plan") which compensates employees with stock options, stock appreciation rights ("SARs") and restricted stock units ("RSUs"). Our Statements of Operations include expenses related to our employees' participation in the Marriott International Stock Plan. We measure the amount of compensation cost for these share-based awards based on the fair value of the awards as of the date that the share-based awards are granted and adjust that cost to the estimated number of awards that we expect will vest. We generally determine the fair value of stock options and SARs using a binomial option pricing model which incorporates assumptions about expected volatility, risk free rate, dividend yield and expected term. The fair value of RSUs represents the number of awards granted multiplied by the average of the high and low market price of the Marriott International Class A Common Stock ("Marriott International common stock") on the date the awards are granted. For awards granted after 2005, we recognize compensation cost for share-based awards ratably over the vesting period. See Footnote No. 14, "Share-Based Compensation," for more information.

Until consummation of the spin-off, Marriott Vacations Worldwide will continue to participate in the Marriott International Stock Plan and record compensation expense based on the share-based awards granted to Marriott Vacations Worldwide employees. In accounting for these awards, we follow the provisions of ASC 718, "*Compensation—Stock Compensation*" ("ASC 718"), which requires that a company measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. Generally, share-based awards granted to employees vest ratably over a four-year period, and we recognize the cost associated with these awards in our Statements of Operations on a straight-line basis over the period during which an employee is required to provide service in exchange for the award. See Footnote No. 14, "Share-Based Compensation," for additional information on equity-based compensation.

Advertising Costs

We expensed advertising costs as incurred of $3 million, $4 million and $13 million in 2010, 2009 and 2008, respectively. These costs are included in the Marketing and sales expenses caption on our Statements of Operations.

Income Taxes

During the periods presented we did not file separate tax returns as we were included in the tax grouping of other Marriott International entities within the respective entity's tax jurisdiction. We have calculated the income tax provision included in these Financial Statements based on a separate return methodology, as if the entities were separate taxpayers in the respective jurisdictions. As a result, our deferred tax balances and effective tax rate as a stand-alone entity will likely differ significantly from those recognized in historical periods.

We record taxes payable or refundable for the current year, as well as deferred tax liabilities and assets for future tax consequences of events that we have recognized in our Financial Statements or tax returns. We use judgment in assessing future profitability and the likely future tax consequences of events that we have recognized in our Financial Statements or tax returns. We base our estimates of deferred tax assets and liabilities on current tax laws, rates and interpretations, and, in certain cases, business plans and other expectations about

future outcomes. We develop our estimates of future profitability based on our historical data and experience, industry projections, micro and macro general economic condition projections, and our expectations.

Changes in existing tax laws and rates, their related interpretations, and the uncertainty generated by the current economic environment may affect the amounts of deferred tax liabilities or the valuations of deferred tax assets over time. Our accounting for deferred tax consequences represents management's best estimate of future events that can be appropriately reflected in the accounting estimates.

For tax positions we have taken or expect to take in a tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

We do not maintain taxes payable to/from Marriott International and we deem that the annual current tax balances will be settled immediately with the legal tax paying entities in the respective jurisdictions. These deemed settlements are reflected as changes in Net Parent Investment.

For information about income taxes and deferred tax assets and liabilities, see Footnote No. 2, "Income Taxes."

New Accounting Standards

New Transfers of Financial Assets and Consolidation Standards

On the first day of 2010, we adopted ASU No. 2009-16, which amended Topic 860, "*Transfers and Servicing*," by: (1) eliminating the concept of a qualifying special-purpose entity ("QSPE"); (2) clarifying and amending the criteria for a transfer to be accounted for as a sale; (3) amending and clarifying the unit of account eligible for sale accounting; and (4) requiring that a transferor initially measure at fair value and recognize all assets obtained (for example beneficial interests) and liabilities incurred as a result of a transfer of an entire financial asset or group of financial assets accounted for as a sale. In addition, this topic required us to evaluate entities for consolidation that had been treated as QSPEs under previous accounting guidance. The topic also mandated that we supplement our disclosures about, among other things, our continuing involvement with transfers of financial assets we previously accounted for as sales, the inherent risks in our retained financial assets, and the nature and financial effect of restrictions on the assets that we continue to report in our Balance Sheets.

As previously discussed herein, we also adopted the new Consolidation Standard, ASU No. 2009-17, on the first day of 2010.

Accounting Standards Update No. 2009-13 "Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements" ("ASU No. 2009-13")

We adopted ASU No. 2009-13 in the 2010 third quarter as required by the guidance and applied it retrospectively to the first day of our fiscal year 2010. This topic addresses the accounting for multiple-deliverable arrangements (complex contracts or related contracts that require the separate delivery of multiple goods and/or services) by expanding the circumstances in which vendors may account for deliverables separately rather than as a combined unit. This update clarifies the guidance on how to separate such deliverables and how to measure and allocate consideration for these arrangements to one or more units of accounting. The previous guidance required a vendor to use vendor-specific objective evidence or third-party evidence of selling price to separate deliverables in multiple-deliverable arrangements. In addition to retaining this guidance in situations where vendor-specific objective evidence or third-party evidence is not available, ASU No. 2009-13 requires a vendor to allocate arrangement consideration to each deliverable in multiple-deliverable arrangements based on

each deliverable's relative selling price. Our adoption did not have a material impact on our Financial Statements, and we do not expect it will have a material effect on our Financial Statements in future periods.

Accounting Standards Update No. 2010-06 "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements" ("ASU No. 2010-06")

We adopted certain provisions of ASU No. 2010-06 in the 2010 first quarter. Those provisions amended Subtopic 820-10, "*Fair Value Measurements and Disclosures—Overall*," by requiring additional disclosures for transfers in and out of Level 1 and Level 2 fair value measurements, as well as requiring fair value measurement disclosures for each "class" of assets and liabilities, a subset of the captions in our Balance Sheets. Our adoption did not have a material impact on our Financial Statements or disclosures, as we had no transfers between Level 1 and Level 2 fair value measurements and no material classes of assets and liabilities that required additional disclosure. See "Future Adoption of Accounting Standards" below for the provisions of this topic that apply to future periods.

Accounting Standards Update No. 2010-20 "Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses" ("ASU No. 2010-20")

We adopted ASU No. 2010-20 in the 2010 fourth quarter. This topic amends existing guidance by requiring more robust and disaggregated disclosures by an entity about the credit quality of its financing receivables and its allowance for credit losses. These disclosures provide financial statement users with additional information about the nature of credit risks inherent in our financing receivables, how we analyze and assess credit risk in determining our allowance for credit losses, and the reasons for any changes we may make in our allowance for credit losses. Our adoption of this update primarily resulted in increased notes receivable disclosures (see Footnote No. 4, "Notes Receivable"), but did not have any other impact on our Financial Statements.

Future Adoption of Accounting Standards

ASU No. 2010-06—Provisions Effective in the 2011 First Quarter

Certain provisions of ASU No. 2010-06 are effective for fiscal years beginning after December 15, 2010, which for us is our 2011 first quarter. Those provisions, which amended Subtopic 820-10, require us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation of fair value measurements, in contrast to the current aggregate presentation as a single line item. Although this has changed the appearance of our fair value reconciliations, the adoption has not had a material impact on our Financial Statements or disclosures.

ASU 2011-04—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRS

In May 2011, the FASB issued ASU 2011-04, "*Fair Value Measurement*" ("ASU 2011-04"). ASU 2011-04 is intended to create consistency between GAAP and International Financial Reporting Standards ("IFRS") on the definition of fair value and on the guidance on how to measure fair value and on what to disclose about fair value measurements. ASU 2011-04 will be effective for financial statements issued for fiscal periods beginning after December 15, 2011, with early adoption prohibited for public entities. We are currently evaluating the impact ASU 2011-04 will have on our Financial Statements.

ASU 2011-05—Comprehensive Income (Topic 220)

In June 2011, the FASB issued ASU 2011-05, "Comprehensive Income" ("ASU 2011-05"). Prior to the issuance of ASU 2011-05, existing GAAP allowed three alternatives for presentation of other comprehensive income ("OCI") and its components in financial statements. ASU 2011-05 removes the option to present the components of OCI as part of the statement of changes in stockholders' equity. In addition, ASU 2011-05 requires consecutive presentation of the statement of operations and OCI and presentation of reclassification

adjustments on the face of the financial statements from OCI to net income. These changes apply to both annual and interim financial statements commencing, with retrospective application, for the fiscal periods beginning after December 15, 2011, with early adoption permitted. We are currently evaluating the impact that ASU 2011-05 will have on our Financial Statements.

2. INCOME TAXES

Our operating results have been included in Marriott International's combined U.S. federal and state income tax returns, as well as included in many of Marriott International's tax filings for non-U.S. jurisdictions. We have determined our provision for income taxes and our contribution to Marriott International's tax losses and tax credits on a separate return basis and included each in these Financial Statements. Our separate return basis tax loss and tax credit carry backs may not reflect the tax positions taken or to be taken by Marriott International. In many cases tax losses and tax credits generated by us have been available for use by Marriott International and will largely remain with Marriott International after the spin-off.

The deferred tax assets and related valuation allowances in these Financial Statements have been determined on a separate return basis. The assessment of the valuation allowances requires considerable judgment on the part of management, with respect to benefits that could be realized from future taxable income, as well as other positive and negative factors. We recorded valuation allowances against the deferred tax assets of certain foreign operations in Spain, U.S. Virgin Islands, France and Singapore. We established these valuation allowances for deferred tax assets due to restructuring and impairment charges incurred (see Footnote No. 16, "Restructuring Costs and Other Charges," and Footnote No. 17, "Impairment Charges"). The amounts of the valuation allowances established were less than $1 million in 2010, $18 million in 2009 and $9 million in 2008.

Our (provision for)/benefit from income taxes consists of:

($ in millions)		2010	2009	2008
Current	-U.S. Federal	$ 39	$ 17	$(43)
	-U.S. State	1	1	(7)
	-Non-U.S.	(9)	(3)	(3)
		31	15	(53)
Deferred	-U.S. Federal	(68)	169	18
	-U.S. State	(7)	33	3
	-Non-U.S.	(1)	14	7
		(76)	216	28
		$(45)	$231	$(25)

Our current tax provision does not reflect the benefits (costs) attributable to us for the exercise or vesting of employee share-based awards of $3 million in 2010, $(1) million in 2009 and $1 million in 2008.

We have made no provision for U.S. income taxes or additional non-U.S. taxes on the cumulative unremitted earnings of non-U.S. subsidiaries ($241 million as of year-end 2010) because we consider these earnings to be permanently invested. These earnings could become subject to additional taxes if remitted as dividends, loaned to us or a U.S. affiliate or if we sold our interests in the affiliates. We cannot practically estimate the amount of additional taxes that might be payable on the unremitted earnings.

We conduct business in countries that grant "holidays" from income taxes for 5- to 30- year periods. These holidays expire through 2034. Without these tax "holidays," we would have incurred the following aggregate income taxes: $5 million in 2010; $1 million in 2009; and $6 million in 2008.

Our total unrecognized tax benefits were $1 million at year-end 2010, $0 million at year-end 2009 and $0 million at year-end 2008. Our unrecognized tax benefit reflects the following 2010, 2009, and 2008 changes: in 2010 an increase of $1 million, and in 2008 a decrease of $1 million representing non-U.S. audit activity.

As a large taxpayer, Marriott International is under continual audit by the IRS and other taxing authorities. Although we do not anticipate that a significant impact to our unrecognized tax benefit balance will occur during the next 52 weeks as a result of these audits, it remains possible that the amount of our liability for unrecognized tax benefits could change over that time period.

Our unrecognized tax benefit balances included $1 million at year-end 2010, $0 million at year-end 2009, and $0 million at year-end 2008 of tax positions that, if recognized, would impact our effective tax rate.

In accordance with our accounting policies, we recognize accrued interest and penalties related to our unrecognized tax benefits as a component of tax expense. Related interest expense and accrued interest expense each totaled less than $1 million in each of 2010, 2009 and 2008.

Deferred Income Taxes

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carry-forwards. We state those balances at the enacted tax rates we expect will be in effect when we actually pay or recover taxes. Deferred income tax assets represent amounts available to reduce income taxes we will pay on taxable income in future years. We evaluate our ability to realize these future tax deductions and credits by assessing whether we expect to have sufficient future taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies to utilize these future deductions and credits. We establish a valuation allowance when we no longer consider it more likely than not that a deferred tax asset will be realized.

Total deferred tax assets and liabilities as of year-end 2010 and year-end 2009, were as follows:

($ in millions)	2010	2009
Deferred tax assets	$353	$332
Deferred tax liabilities	(20)	(14)
Net deferred taxes	$333	$318

The tax effect of each type of temporary difference and carry-forward that gives rise to a significant portion of our deferred tax assets and liabilities as of year-end 2010 and year-end 2009, were as follows:

($ in millions)	2010	2009
Employee benefits	$ 37	$ 38
Inventory	92	142
Reserves	91	52
Deferred income	6	18
Property and equipment	16	12
Vacation Ownership financing	0	(27)
Frequent customer loyalty program	61	72
Joint venture interests	13	20
Net operating loss carry-forwards	51	36
Other, net	6	(2)
Deferred taxes	373	361
Less: valuation allowance	(40)	(43)
Net deferred taxes	$333	$318

We recorded $14 million of net operating loss benefits in 2010 and $2 million in 2009. At year-end 2010, we had approximately $291 million of tax net operating losses (excluding valuation allowances), of which $192 million expire through 2030.

Reconciliation of U.S. Federal Statutory Income Tax Rate to Actual Income Tax Rate

The following table reconciles the U.S. statutory tax rate to our effective income tax rate for continuing operations:

	2010	2009	2008
U.S. statutory tax rate	35.00%	(35.00)%	35.00%
U.S. state income taxes, net of U.S. federal tax benefit	3.07	(2.88)	30.20
Nondeductible expenses	0.05	0.01	1.54
Non-U.S. income	0.39	4.78	29.24
Noncontrolling interest	—	0.51	91.94
Audit activity	1.22	0.00	(13.02)
Change in valuation allowance	0.33	2.39	94.62
Effective rate	40.06%	(30.19)%	269.52%

Cash taxes are included within changes in Net Parent Investment.

3. ASSET SECURITIZATIONS

We periodically securitize, without recourse, through bankruptcy-remote special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. Generally, in order for a vacation ownership note receivable to be eligible for securitization, the note receivable must be associated with a North America or Luxury segment project, the loan must not be delinquent, the purchaser must have made a down-payment of at least 10 percent of the purchase price and made at least one payment on the loan, and the borrower must have a FICO score of greater than 600. We continue to service the notes receivable and transfer all proceeds collected to special purpose entities. We retain servicing agreements and other interests in the notes receivable. The executed transactions typically include minimal cash reserves established at time of notes receivable securitization as well as default and delinquency triggers, which we monitor on a monthly basis. We may also voluntarily repurchase defaulted notes receivable (over 150 days past due). As a result of our adoption of the new Consolidation Standard, we no longer account for notes receivable securitizations as sales, and therefore, we did not recognize gains or losses on the 2010 notes receivable securitization, nor do we expect to recognize gains or losses on future notes receivable securitizations. See Footnote No. 1, “Summary of Significant Accounting Policies,” for additional information on the impact of our 2010 first quarter adoption of the new Consolidation Standard on our notes receivable securitizations, including the elimination of residual interests.

The following table shows cash flows between us and bondholders during 2009 and 2008. In 2010, we consolidated the entities that facilitate our notes receivable securitizations. See Footnote No. 15, “Variable Interest Entities,” for further discussion of the impact of our involvement with these entities on our financial position, financial performance and cash flows for 2010.

($ in millions)	2009	2008
Net proceeds from vacation ownership notes receivable securitizations	$349	$237
Voluntary repurchases of defaulted notes receivable (over 150 days overdue)	(81)	(56)
Servicing fees received	6	6
Cash flows received from our retained interests in notes receivable	75	96
Securitization collections, net of repurchases	$349	$283

The following table provides additional information pertaining to our historical notes receivable securitization transactions:

($ in millions)	2010	2009	2008
Securitized notes receivable[1][2]	$229	$664	$300
Trust bonds payable issued[2]	$218	$522	$246
Gain from securitization included in Financing revenues in our Statement of Operations	$—	$ 37	$ 16

(1) Originated in connection with sale of vacation ownership products.
(2) Securitized notes receivable and bonds payable issued in 2009 resulted from two securitizations that occurred in the first and fourth quarters, the latter of which included the simultaneous repayment of the first quarter transaction bonds of $218 and ultimately resecuritized the underlying collateral that was securitized in the first quarter.

4. NOTES RECEIVABLE

As discussed in Footnote No. 1, “Summary of Significant Accounting Policies,” on the first day of the 2010 fiscal year, we consolidated certain entities associated with past notes receivable securitization transactions. Prior to 2010, we were not required to consolidate the special purpose entities utilized to securitize the notes receivable.

The following table shows the composition of our vacation ownership notes receivable balances, net of reserves:

($ in millions)	At Year-End 2010	At Year-End 2009
Vacation ownership notes receivable—securitized	$ 1,029	$ —
Vacation ownership notes receivable—non-securitized	225	414
Total vacation ownership notes receivable	$ 1,254	$ 414

The following tables show future principal payments, net of reserves, as well as interest rates for our securitized and non-securitized vacation ownership notes receivable.

Vacation Ownership Notes Receivable Principal Payments, net of reserves, and Interest Rates

($ in millions)	Non-Securitized Vacation Ownerships Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
2011	$ 55	$ 118	$ 173
2012	28	123	151
2013	24	130	154
2014	20	131	151
2015	19	126	145
Thereafter	79	401	480
Balance at year-end 2010	$ 225	$ 1,029	$ 1,254
Weighted average interest rate at year-end 2010	11.8%	13.1%	12.8%
Range of stated interest rates at year-end 2010	0.0 to 19.5%	5.2 to 19.5%	0.0 to 19.5%

We reflect interest income associated with vacation ownership notes receivable of $179 million, $46 million, and $68 million for 2010, 2009 and 2008, respectively, in our Statements of Operations in the Financing revenues caption. Of the $179 million of interest income we recognized from these loans in 2010, $139 million

was associated with securitized notes receivable and $40 million was associated with non-securitized notes receivable, while the interest income recognized in 2009 and 2008 related solely to non-securitized notes receivable.

The following table summarizes the activity related to our vacation ownership notes receivable reserve for 2010, 2009 and 2008:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable Reserve	Securitized Vacation Ownership Notes Receivable Reserve	Total
Balance at year-end 2007	$ 19	$ —	$ 19
Additions for current year vacation ownership product sales	49	—	49
Reductions for securitizations	(13)	—	(13)
Write-offs	(20)	—	(20)
Balance at year-end 2008	35	—	35
Additions for current year vacation ownership product sales	30	—	30
Reductions for securitizations	(25)	—	(25)
Write-offs	(13)	—	(13)
Balance at year-end 2009	27	—	27
One-time impact of the new Consolidation Standard[1]	84	134	218
Additions for current year vacation ownership product sales	32	—	32
Additions for new securitizations, net of clean-up call[2]	(18)	18	—
Write-offs	(79)	—	(79)
Defaulted notes receivable repurchase activity[3]	68	(68)	—
Other[4]	15	5	20
Balance at year-end 2010	$ 129	$ 89	$218

(1) The non-securitized notes receivable reserve relates to the implementation of the new Consolidation Standard, which required us to establish reserves for certain previously securitized and subsequently repurchased notes held at January 2, 2010.
(2) Clean-up call refers to our voluntary repurchase of $25 million of previously securitized non-defaulted notes receivable to retire a previous notes receivable securitization from 2002.
(3) Decrease in securitized reserve and increase in non-securitized reserve was attributable to the transfer of the reserve when we repurchased the notes.
(4) Consists of static pool and default rate assumption changes.

The following table shows our recorded investment in nonaccrual notes receivable, which are notes receivable that are 90 days or more past due. As noted in Footnote No. 1, “Summary of Significant Accounting Policies,” we recognize interest income on a cash basis for these notes receivable.

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Investment in notes receivable on nonaccrual status at year-end 2010	$ 113	$ 15	$128
Investment in notes receivable on nonaccrual status at year-end 2009	$ 113	$ —	$113

The following table shows the aging of the recorded investment in principal, before reserves, in vacation ownership notes receivable.

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
31–90 days past due	$ 12	$ 26	$ 38
91–150 days past due	9	15	24
Greater than 150 days past due	104	—	104
Total past due	125	41	166
Current	229	1,077	1,306
Total vacation ownership notes receivable	$ 354	$ 1,118	$ 1,472

5. FAIR VALUE MEASUREMENTS

The guidance for fair value measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and details the disclosures that are required for items measured at fair value.

We have various financial instruments we must measure at fair value on a recurring basis, including certain derivatives and residual interests related to our notes receivable securitizations. We also apply the provisions of fair value measurement to various non-recurring measurements for our financial and non-financial assets. See Footnote No. 16, “Restructuring Costs and Other Charges,” and Footnote No. 17, “Impairment Charges,” for further information.

The following table summarizes the changes in fair value of our Level 3 assets and liabilities that we measure at fair value on a recurring basis:

	Fair Value Measurements of Assets and Liabilities Using Level 3 Inputs	
($ in millions)	Servicing Assets and Other Residual Interests	Derivative Instruments
Balance at beginning of 2008	$ 239	$ (6)
Included in earnings (or changes in net assets)	(9)	(26)
Included in other comprehensive income	—	7
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	(8)	10
Total losses (realized or unrealized)	(17)	(9)
Ending balance at 2008	222	(15)
Included in earnings (or changes in net assets)	18	—
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	(26)	14
Total (losses) gains (realized or unrealized)	(8)	14
Ending balance at 2009	214	(1)
Included in earnings (or changes in net assets)	—	—
Included in other comprehensive income	—	—
Transfers in or out of Level 3	—	—
Purchases, sales, issuances, and settlements	—	—
Elimination in connection with implementation of the new Consolidation Standard	(214)	—
Total losses (realized or unrealized)	(214)	—
Ending balance at 2010	$ —	$ (1)

Servicing Assets and Other Residual Interests

As discussed in more detail in Footnote No. 3, “Asset Securitizations,” we periodically securitize notes receivable we originate in connection with vacation ownership product sales. We continue to service the notes receivable after the securitization, and we retain servicing assets and other interests in the notes receivable. Before 2010, we accounted for these assets and interests as residual interests. At the date of each notes receivable securitization and at the end of each reporting period, we estimated the fair value of our residual interests using a discounted cash flow model.

The most significant estimate we used in the measurement process for retained interests was the discount rate, followed by the default rate and the loan prepayment rate. We estimated these rates based on management’s expectations of future prepayment rates and default rates, reflecting our historical experience, industry trends, current market interest rates, expected future interest rates and other considerations. We based the discount rates we used in determining the fair values of our residual interests on the volatility characteristics (*i.e.*, defaults and prepayments) of the residual interests and our estimate of discount rates used by other market participants.

As noted in the “Residual Interests” caption of Footnote No. 1, “Summary of Significant Accounting Policies,” prior to 2010 we treated the residual interests, including servicing assets, as trading securities under the provisions of accounting for certain investments in debt and equity securities. During 2009 and 2008, we recorded trading gains of $18 million and losses of $9 million, respectively, within the Financing revenues on our Statements of Operations.

During 2009 and 2008, we used the following key assumptions to measure, at the date of notes receivable securitization, the fair value of the residual interests, including servicing assets:

	2009	2008
Average discount rates	12.53%	9.23%
Average expected annual prepayments, including defaults	19.46%	24.01%
Expected weighted average life of prepayable notes receivable, excluding prepayments and defaults	72 months	76 months
Expected weighted average life of prepayable notes receivable, including prepayments and defaults	38 months	35 months

We based our key assumptions on our experience with notes receivable and servicing assets.

We used the following key assumptions in measuring the fair value of the residual interests, including servicing assets, in our 13 outstanding notes receivable securitizations at year-end 2009: an average discount rate of 16.06 percent; an average expected annual prepayment rate, including defaults, of 15.58 percent; an expected weighted average life of prepayable notes receivable, excluding prepayments and defaults, of 57 months; and an expected weighted average life of prepayable notes receivable, including prepayments and defaults, of 37 months.

We completed a stress test on the fair value of the residual interests, including servicing assets, as of year-end 2009 to measure the change in value associated with independent changes in individual key variables. This methodology applied unfavorable changes that would be statistically significant for the key variables of prepayment rate, discount rate, and weighted average remaining term. Before we applied any of these stress test changes, we determined that the fair value of the residual interests, including servicing assets and excluding $53 million of notes receivable that we retained full risk and rewards of cash flows for, was $214 million at year-end 2009.

Applying the stress tests, we concluded that each change to a variable shown in the table below would have the following impact on the valuation of our residual interests as of year-end 2009:

($ in millions)	Decrease in Valuation	Percentage Decrease
100 basis point increase in the prepayment rate	$ 6	2.6%
200 basis point increase in the prepayment rate	12	5.4%
100 basis point increase in the discount rate	5	2.3%
200 basis point increase in the discount rate	10	4.6%
Two month decline in the weighted average remaining term	2	0.9%
Four month decline in the weighted average remaining term	4	1.7%

For our first quarter and fourth quarter 2009 notes receivable securitizations, on the date of transfer we recorded notes receivable for which we retained full risks and rewards of cash flows, after the transfer at a fair value of $81 million and $58 million, respectively. We used a discounted cash flow model, including Level 3 inputs, to determine the fair value of notes receivable we effectively owned after the transfer. We based the discount rate we used in determining the fair value on the methodology described earlier in this footnote. Other assumptions, such as default and prepayment rates, are consistent with those used in determining the fair value of our residual interests. For additional information, see Footnote No. 3, “Asset Securitizations.”

Derivative Liabilities

We also use financial instruments to reduce our overall exposure to the changes in interest rates. All hedge transactions are executed by Marriott International. Historically, Marriott International managed our exposure on a combined basis with exposures of all other Marriott International businesses. We are required to carry our derivative assets and liabilities at fair value. At year-end 2010 and 2009, we had derivative instruments in a liability position of $1 million in the Other caption within the Liabilities section of our Balance Sheets which we valued using Level 3 inputs. We value our Level 3 input derivatives using valuations that we calibrate to the initial trade prices, with subsequent valuations based on unobservable inputs to the valuation model, including interest rates and volatilities.

During 2008, we entered into eleven interest rate swaps to manage interest rate risk associated with forecasted notes receivable securitizations. These swaps were designated as cash flow hedges under the guidance for derivatives and hedging. We terminated nine of the eleven swaps in 2008. The remaining two swaps became ineffective and we recognized a $13 million loss in Financing revenues on our full-year 2008 Statement of Operations and no longer accounted for them as cash flow hedges. We terminated these swaps in the first quarter of 2009 and recognized no additional material gain or loss.

6. FINANCIAL INSTRUMENTS

The following table shows the carrying values and the fair values of financial assets and liabilities that qualify as financial instruments, determined in accordance with current guidance for disclosures on the fair value of financial instruments:

	At Year-End 2010		At Year-End 2009	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—securitized	$ 1,029	$ 1,219	$ —	$ —
Vacation ownership notes receivable—non-securitized	225	231	414	424
Related party notes receivable	20	20	28	28
Residual interests and effectively owned notes receivable	—	—	267	267
Restricted cash	66	66	34	34
Total financial assets	$ 1,340	$ 1,536	$ 743	$ 753
Non-recourse debt associated with securitized notes receivable	$(1,017)	$ (1,047)	$ —	$ —
Other debt	(5)	(5)	(59)	(59)
Other liabilities	(30)	(26)	(33)	(24)
Total financial liabilities	$(1,052)	$ (1,078)	$ (92)	$ (83)

Vacation Ownership Notes Receivable

We estimate the fair value of our securitized notes receivable using a discounted cash flow model. We believe this is comparable to the model that an independent third party would use in the current market. Our model uses default rates, prepayment rates, coupon rates and loan terms for our securitized notes receivable portfolio as key drivers of risk and relative value, that when applied in combination with pricing parameters, determines the fair value of the underlying notes receivable.

We bifurcate our non-securitized notes receivable into two pools as follows:

	At Year-End 2010		At Year-End 2009	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable-eligible for securitization.	$ 47	$ 53	$ 126	$ 136
Vacation ownership notes receivable-not eligible for securitization	178	178	288	288
Total financial assets	$ 225	$ 231	$ 414	$ 424

We estimate the fair value of a portion of our non-securitized notes receivable that we believe will ultimately be securitized in the same manner as securitized notes receivable. We value the remaining non-securitized notes receivable at their carrying value, rather than using our pricing model. We believe that the carrying value of these particular notes receivable approximates fair value because the stated interest rates of these loans are consistent with current market rates and the reserve for these notes receivable appropriately accounts for risks in default rates, prepayment rates and loan terms.

Other Notes Receivable

We estimate the fair value of our other notes receivable by discounting cash flows using risk-adjusted rates.

Non-Recourse Debt Associated with Securitized Notes Receivable

We internally generate cash flow estimates by modeling all bond tranches for our active notes receivable securitization transactions, with consideration for the collateral specific to each tranche. The key drivers in our analysis include default rates, prepayment rates, bond interest rates and other structural factors, which we use to estimate the projected cash flows. In order to estimate market credit spreads by rating, we reviewed market spreads from vacation ownership notes receivable securitizations and other asset-backed transactions that occurred in the market during 2010 and 2009. We then applied those estimated market spreads to swap rates in order to estimate an underlying discount rate for calculating the fair value of the active bonds payable.

Other Liabilities

We estimate the fair value of our other liabilities that are financial instruments using expected future payments discounted at risk-adjusted rates. These liabilities represent guarantee costs and reserves and deposit liabilities. The carrying values of our guarantee costs and reserves approximate their fair values. We estimate the fair value of our deposit liabilities primarily by discounting future payments at a risk-adjusted rate.

7. ACQUISITIONS AND DISPOSITIONS

2010 Acquisitions and Dispositions

In 2010, we acquired vacation ownership units for sale in our Luxury segment for cash consideration of $111 million, which included a deposit of $11 million paid in 2009.

In 2010, we sold one operating hotel, classified within property and equipment within our Asia Pacific segment, that we acquired for conversion to vacation ownership products. Net cash proceeds totaled $38 million and we recorded a net gain of $21 million in Gains and other income on our Statements of Operations. We accounted for the sale under the full accrual method in accordance with accounting for sales of real estate.

2009 Acquisitions and Dispositions

We made no significant acquisitions or dispositions in 2009.

2008 Acquisitions and Dispositions

In 2008, within our Luxury segment, we owned 50 percent of the equity of a venture that developed vacation ownership and residential products, and we acquired the remainder of the equity as well as land and other assets from our joint venture partner for $42 million. We acquired assets and assumed liabilities of $80 million and $38 million, respectively.

Within our North America segment, we acquired two land parcels for future development for cash consideration of $15 million and $47 million, respectively.

Within our Asia Pacific segment, we acquired built units for cash consideration and assumed liabilities of $39 million and $24 million, respectively and we acquired other units for cash consideration of $14 million. Additionally, we acquired a hotel for conversion to vacation ownership products for $27 million, which was disposed of in 2010.

We made no significant dispositions in 2008.

8. INVENTORY

The following table shows the composition of our inventory balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Finished goods	$ 652	$ 761
Work-in-progress	203	267
Land and infrastructure	551	341
Real estate inventory	1,406	1,369
Operating supplies and retail inventory	6	8
	$1,412	$1,377

Interest capitalized as a cost of inventory totaled $3 million, $19 million and $25 million in 2010, 2009 and 2008, respectively.

We value vacation ownership and residential products at the lower of cost or fair market value less costs to sell, in accordance with applicable accounting guidance, and we record operating supplies at the lower of cost (using the first-in, first-out method) or market.

Weak economic conditions in the United States, Europe and much of the rest of the world, instability in the financial markets following the 2008 worldwide financial crisis and weak consumer confidence all contributed to a difficult business environment and resulted in weaker demand for our products, in particular our residential products, but also to a lesser extent our vacation ownership products. Accordingly, we have recorded inventory impairments and related reversals since that time. See Footnote No. 17, “Impairment Charges,” for additional information.

9. PROPERTY AND EQUIPMENT

The following table details the composition of our property and equipment balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Land	$ 148	$ 165
Buildings and leasehold improvements	219	233
Furniture and equipment	261	250
Construction in progress	18	16
	646	664
Accumulated depreciation	(336)	(306)
	$ 310	$ 358

Interest capitalized as a cost of property and equipment totaled less than $1 million in each of 2010, 2009 and 2008. Depreciation expense totaled $35 million in 2010, $42 million in 2009 and $44 million in 2008.

10. CONTINGENCIES AND COMMITMENTS

See Footnote No. 18, “Significant Investments,” for commitments and contingencies relating to one equity method investment.

Guarantees

We issue guarantees to certain lenders in connection with the provision of third-party financing for our sales of vacation ownership products for the Luxury and Asia Pacific segments. The terms of guarantees to lenders generally require us to fund if the purchaser fails to pay under the term of its note payable. Marriott International has guaranteed our performance under these arrangements. We are entitled to recover any funding to third-party lenders related to these guarantees through reacquisition and resale of the vacation ownership product. Our commitments under these guarantees expire as notes mature or are repaid and the terms of the underlying notes extend to 2020.

The following table shows the maximum potential amount of future fundings for financing guarantees where we are the primary obligor and the carrying amount of the liability for expected future fundings.

($ in millions)	Maximum Potential Amount of Future Fundings at Year-End 2010	Liability for Expected Future Fundings at Year-End 2010
Segment		
Asia Pacific	$ 24	$ —
Luxury	3	1
Total guarantees where we are the primary obligor	$ 27	$ 1

We included our liability for expected future fundings of the financing guarantees at year-end 2010 in our Balance Sheets in the Other caption within Liabilities.

In addition to the guarantees we describe in the preceding paragraphs, in conjunction with financing obtained for specific projects or properties owned by joint ventures in which we are a party, we may provide industry standard indemnifications to the lender for loss, liability or damage occurring as a result of the actions of the other joint venture owner or our own actions.

Commitments and Letters of Credit

In addition to the guarantees we note in the preceding paragraphs, as of year-end 2010, we had the following commitments outstanding:

- A commitment for $18 million (HK$141 million) to purchase vacation ownership units upon completion of construction for sale in our Asia Pacific segment. We have already made deposits of $11 million in conjunction with this commitment. We expect to pay the remaining $7 million upon acquisition of the units in 2011.
- $4 million (€3 million) of other purchase commitments that we expect to fund over the next four years, as follows: $1 million in each of 2011, 2012, 2013 and 2014.
- We have various contracts for the use of information technology hardware and software that we use in the normal course of business. Our commitments are $5 million in each of 2011 and 2012.
- Commitments to subsidize vacation ownership associations were $12 million which we expect will be paid in 2011.

Surety bonds guaranteed by Marriott International issued as of year-end 2010 totaled $109 million, the majority of which were requested by federal, state or local governments related to our operations.

At year-end 2010, we had $31 million of letters of credit outstanding under Marriott International credit facilities, the majority of which related to our Asia Pacific consumer financing guarantee.

Other

We estimate the cash outflow associated with completing the phases of our existing portfolio of vacation ownership projects currently under development will be approximately $206 million of which $15 million is included within liabilities on our Balance Sheet. This estimate is based on our current development plans, which remain subject to change, and we expect the phases currently under development will be completed by 2016.

Leases

We have various land, real estate and equipment operating leases. The land leases primarily consist of two long-term golf course land leases with terms of 20 and 50 years. The other operating leases are primarily for office and retail space as well as equipment supporting our operations, and have lease terms of between 3 and 10 years. We have summarized our future obligations under operating leases at year-end 2010, below:

($ in millions) **Fiscal Year**	**Golf Land Leases**	**Other Operating**	**Total**
2011	$ 1	$ 15	$ 16
2012	1	10	11
2013	1	8	9
2014	1	2	3
2015	1	2	3
Thereafter	34	2	36
Total minimum lease payments	$ 39	$ 39	$ 78

Certain of these leases provide for minimum rentals and additional rentals based on our operations of the leased property. The total minimum lease payments above exclude approximately $20 million in future lease payments which have been accrued on the Balance Sheets as part of historical restructuring charges. The future lease payments accrued as restructuring charges are expected to be paid as follows: $7 million in 2011, $6 million in 2012, $5 million in 2013 and $2 million in 2014.

The following table details the composition of rent expense associated with operating leases, net of sublease income, for the last three years:

($ in millions)	**2010**	**2009**	**2008**
Minimum rentals	$11	$24	$35
Additional rentals	6	6	14
	$17	$30	$49

11. DEBT

As discussed in Footnote No. 1, “Summary of Significant Accounting Policies,” Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations, excluding debt specifically incurred through the securitization of notes receivable and our acquisition specific financing. On the first day of the 2010 fiscal year we consolidated certain previously unconsolidated entities associated with past notes receivable securitization transactions (and later in 2010 we consolidated the special purpose entity associated with our 2010 notes receivable securitization), resulting in consolidation of the related debt obligations.

The following table provides detail on our debt balances:

($ in millions)	At Year-End 2010	At Year-End 2009
Non-recourse debt associated with securitized notes receivable, interest rates ranging from 0.31% to 7.20% (weighted average interest rate of 4.96%)	$1,017	$ —
Other	5	59
	$1,022	$ 59

The non-recourse debt associated with securitized notes receivable was, and to the extent currently outstanding is, secured by the related notes receivable. All of our other debt was, and to the extent currently outstanding is, recourse to us but unsecured.

Each of our securitized notes receivable pools contain various triggers relating to the performance of the underlying notes receivable. If a pool of securitized notes receivable fails to perform within the pool's established parameters (default or delinquency thresholds vary by deal), transaction provisions effectively redirect the monthly excess spread we would otherwise receive from that pool (related to the interests we retained) to accelerate the principal payments to investors based on the subordination of the different tranches until the performance trigger is cured. In 2010, seven of our securitized notes receivable pools reached performance triggers in different months throughout the year as a result of increased defaults. As of year-end 2010, performance had improved sufficiently in six of the seven notes receivable pools that were not meeting performance thresholds during some portion of 2010 to cure the performance triggers. For 2010 and 2009, approximately $6 million and $17 million, respectively, of cash flows were redirected as a result of reaching the performance triggers for those years. None of our pools experienced performance triggers in 2008, so no cash flow was redirected during that year. At year-end 2010, we had 13 securitized notes receivable pools outstanding.

The following table shows scheduled future principal payments for our non-recourse debt associated with securitizations and other debt.

($ in millions) Debt Principal Payments	Non-Recourse Debt	Other Debt	Total
2011	$ 126	$ 2	$ 128
2012	131	—	131
2013	138	—	138
2014	139	—	139
2015	134	—	134
Thereafter	349	3	352
Balance at year-end 2010	$ 1,017	$ 5	$1,022

As the contractual terms of the underlying securitized notes receivable determine the maturities of the non-recourse debt associated with them, actual maturities may occur earlier than shown above due to prepayments by the notes receivable obligors.

We paid cash for interest, net of amounts capitalized, of $54 million in 2010, and less than $1 million in 2009 and 2008.

12. OTHER LIABILITIES

Liability for Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program. Program members earn Marriott Rewards Points based on their purchases of vacation ownership products and/or through exchange and other activities, as well as through hotel stays and other activities that are not related to our business. Points are tracked on members' behalf and can be redeemed for stays at most of Marriott International's lodging properties, airline tickets, airline frequent flyer program miles, rental cars and a variety of other awards; however, points cannot be redeemed for cash. As members earn points through our business, we record an accrual for amounts that we expect will, in the aggregate, equal the costs of point redemptions and our portion of program operating costs over time.

Historically, we have determined the carrying value of the future redemption obligation based on statistical formulas that project timing of future point redemption based on historical levels, including estimates of the points that will eventually be redeemed and the "breakage" for points that will never be redeemed. These judgment factors determine the required liability for outstanding points. The liability is relieved upon redemption of points by program members. Our Marriott Rewards customer loyalty program's liability totaled $220 million at year-end 2010 and $255 million at year-end 2009.

We completed a stress test on the carrying value of our Marriott Rewards customer loyalty liability to measure the change in obligation associated with independent changes in key estimates as described in Footnote No. 1, "Summary of Significant Accounting Policies." We applied this methodology to unfavorable changes that would be statistically significant and we concluded that each change to a variable shown in the table below would have the following impact on the valuation of our customer loyalty liability at year-end 2010:

($ in millions)	
5 percent change in the cost per point	$10
10 percent change in the cost per point	$21
100 basis point change in the breakage rate	$ 9
200 basis point change in the breakage rate	$18

Although we did not specifically perform stress tests on the redemption curve because it is difficult to isolate a single quantitative measure to perform such a test against, changes in the redemption curve could also have an impact on the valuation of our Marriott Rewards customer loyalty program liability.

Deferred Compensation Liability

Certain of our senior management have the opportunity to supplement their retirement and other tax-deferred savings under the Marriott International, Inc. Executive Deferred Compensation Plan ("Marriott International EDC"), which Marriott International maintains and administers. Under the Marriott International EDC, participating employees may defer payment and income taxation of a portion of their salary and bonus. The plan also gives participants the opportunity for long-term capital appreciation by crediting their accounts with notional earnings (at a fixed annual rate of return of 5.5% for 2010 and 5.5% for 2009). Prior to 2009, there were benchmark investments available based on underlying investment funds.

We may also make an additional discretionary contribution to the participant's EDC accounts based on subjective factors such as individual performance, key contributions and retention needs. We made no additional discretionary contributions for our employees in 2010 or 2009. For 2008, we matched 75 percent on deferrals of the first six percent or three percent of compensation for certain executives.

13. NET PARENT INVESTMENT

Net Parent Investment in the Balance Sheets represent Marriott International's historical investment in us, our accumulated net earnings after taxes and the net effect of the transactions with and allocations from Marriott International. See also Footnote No. 1, "Summary of Significant Accounting Policies," as well as Footnote No. 19, "Related Party Transactions."

14. SHARE-BASED COMPENSATION

Marriott International maintains the Marriott International Stock Plan for the benefit of its officers, directors and employees, including our employees. The following disclosures represent the portion of the Marriott International Stock Plan liabilities and expenses maintained by Marriott International in which our employees participated. All share-based awards granted under the Marriott International Stock Plan relate to Marriott International Stock. As such, all related equity account balances are reflected in Marriott International's consolidated statements of stockholders' equity and have not been reflected in our Financial Statements.

Under the Marriott International Stock Plan, Marriott International awards to certain of our employees: (1) stock options to purchase Marriott International common stock ("Stock Option Program"); (2) stock appreciation rights ("SARs") for Marriott International common stock ("SAR Program"); and (3) restricted stock units ("RSUs") of Marriott International Stock. Marriott International granted these awards at exercise prices or strike prices that were equal to the market price of Marriott International common stock on the date of grant.

For all share-based awards, the guidance requires that Marriott International measure compensation costs related to share-based payment transactions with our employees at fair value on the grant date and recognize those costs in the financial statements over the vesting period during which the employees provide service in exchange for the award.

During 2010, Marriott International granted our employees 403,425 RSUs and 56,936 SARs.

We recorded share-based compensation expense related to award grants to our employees of $10 million in 2010, $10 million in 2009 and $13 million in 2008. Deferred compensation costs related to unvested awards held by our employees totaled $12 million at year-end 2010 and $13 million at year-end 2009. As of year-end 2010, we expect that deferred compensation expenses for our employees will be recognized over a weighted average period of two years.

For awards granted after 2005, we recognized share-based compensation expense over the period from the grant date to the date on which the award is no longer contingent on the employee providing additional service (the "substantive vesting period"). We continued to follow the stated vesting period for the unvested portion of awards granted to our employees before 2006 and the adoption of the current guidance for share-based compensation and follow the substantive vesting period for awards granted to our employees after 2005.

In accordance with the guidance for share-based compensation, we presented the tax benefits and costs resulting from the exercise or vesting of share-based awards related to our employees as financing cash flows. The exercise of share-based awards for our employees resulted in tax benefits of $3 million in 2010 and $1 million in 2008 and tax costs of $1 million in 2009.

Marriott International received $12 million in 2010, $3 million in 2009 and $2 million in 2008 in cash from our employees for the exercise of stock options granted under the Marriott International Stock Plan.

RSUs

Marriott International issues RSUs under the Marriott International Stock Plan to certain officers and key employees at our business and those units vest generally over four years in annual installments commencing one year after the date of grant. We recognize compensation expense for the RSUs over the service period equal to

the fair market value of the stock units on the date of issuance. Upon vesting, RSUs convert to shares of Marriott International common stock and are distributed from Marriott International treasury shares. At year-end 2010 and year-end 2009, we had approximately $11 million and $12 million, respectively, in deferred compensation costs related to RSUs for our employees. The weighted average remaining term for RSU grants outstanding at year-end 2010 for our employees was two years.

The following table provides additional information on RSUs granted to our employees for the last three fiscal years:

	2010	2009	2008
Share-based compensation expense (in millions)	$ 9	$ 9	$11
Weighted average grant-date fair value (per share)	27	23	30
Aggregate intrinsic value of converted and distributed (in millions)	8	5	10

The following table shows the 2010 changes in outstanding RSU grants for our employees:

	Number of RSUs	Weighted Average Grant-Date Fair Value
Outstanding at year-end 2009	802,936	$ 33
Granted during 2010	403,425	27
Distributed during 2010	(301,609)	34
Forfeited during 2010	(77,420)	30
Outstanding at year-end 2010	827,332	29

Stock Options and SARs

Marriott International may grant employee non-qualified stock options to officers and key employees of our business at exercise prices or strike prices equal to the market price of Marriott International common stock on the date of grant. Non-qualified stock options generally expire ten years after the date of grant, except those issued from 1990 through 2000, which expire 15 years after the date of the grant. Most stock options under the Marriott International Stock Plan are exercisable in cumulative installments of one quarter at the end of each of the first four years following the date of grant.

We recognized no stock option compensation expense for our employees in 2010, 2009 and 2008. There were no deferred compensation costs related to our employee stock options for our employees at both year-end 2010 and 2009.

The following table shows the 2010 changes in outstanding stock options for our employees:

	Number of Options	Weighted Average Exercise Price
Outstanding at year-end 2009	1,576,516	$ 18
Granted during 2010	—	—
Exercised during 2010	(624,808)	18
Forfeited during 2010	(100)	21
Outstanding at year-end 2010	951,608	17

The following table shows the stock options issued to our employees that were outstanding and exercisable at year-end 2010:

Range of Exercise Prices	Outstanding			Exercisable		
	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
$ 8 to $12	23,197	$ 12	1	23,197	$ 12	1
13 to 17	735,896	15	3	735,896	15	3
18 to 22	9,700	20	3	9,700	20	3
23 to 49	182,815	25	4	182,815	25	4
8 to 49	951,608	17	3	951,608	17	3

Marriott International granted no stock options to our employees under the Marriott International Stock Plan in 2010, 2009 or 2008.

The following table shows the intrinsic value of outstanding stock options and exercisable stock options held by our employees at year-end 2010 and 2009:

($ in millions)	2010	2009
Outstanding stock options	$24	$15
Exercisable stock options	$24	$15

The approximate total intrinsic value of stock options exercised by our employees was $10 million in 2010, $2 million in 2009 and $3 million in 2008.

Marriott International may grant SARs to officers and key employees of our business at exercise prices or strike prices equal to the market price of Marriott International common stock on the date of grant. SARs generally expire ten years after the date of grant and both vest and may be exercised in cumulative installments of one quarter at the end of each of the first four years following the date of grant. On exercise of SARs, our employees receive the number of shares of Marriott International common stock equal to the number of SARs being exercised, multiplied by the quotient of (a) the final value minus the base value, divided by (b) the final value.

We recognized compensation expense associated with SARs held by our employees of $1 million in each of 2010 and 2009, and $2 million in 2008. At year-end 2010 and year-end 2009, we had less than $1 million in deferred compensation costs related to SARs held by our employees. Upon the exercise of SARs held by our employees, Marriott International issues shares from treasury shares. The following table shows the 2010 changes in outstanding SARs held by our employees:

	Number of SARs	Weighted Average Exercise Price
Outstanding at year-end 2009	212,048	$ 31
Granted during 2010	56,936	27
Exercised during 2010	(32,855)	34
Forfeited during 2010	(24,633)	30
Outstanding at year-end 2010	211,496	29

The following tables show the number of SARs held by our employees granted in the last three years, the associated weighted average base values, and the associated weighted average grant-date fair values:

SARs	2010	2009	2008
SARs granted	56,936	—	184,400
Weighted average base value	$ 27	$—	$ 30
Weighted average grant-date fair value	$ 10	$—	$ 11

Our employees forfeited 24,633 SARs in 2010 and 1,764 SARs in 2009. Outstanding SARs our employees held had a total intrinsic value of $3 million at year-end 2010 and zero at year-end 2009, and exercisable SARs our employees held had a total intrinsic value of $1 million at year-end 2010 and zero at year-end 2009. SARs exercised by our employees during 2010 had a total intrinsic value of $138,418. Our employees did not exercise any SARs in 2009 or 2008.

We use a binomial method to estimate the fair value of the stock options or SARs granted, under which we calculated the weighted average expected stock option or SAR as the product of a lattice-based binomial valuation model that uses suboptimal exercise factors. We use historical data to estimate exercise behaviors for separate groups of retirement eligible and non-retirement eligible employees of our business. The following table shows the assumptions we used for stock options and SARs our employees held for 2010, 2009 and 2008:

	2010	2009	2008
Expected volatility	32%	32%	29%
Dividend yield	0.71%	0.95%	0.80 – 0.95%
Risk-free rate	3.3%	2.2%	3.4 – 3.9%
Expected term (in years)	7.0	7.0	6 – 9

In making these assumptions, we based risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which Marriott International converted to a continuously compounded rate. We based the expected volatility on the weighted-average historical volatility of the Marriott International Stock, with periods with atypical stock movement given a lower weight to reflect stabilized long-term mean volatility.

15. VARIABLE INTEREST ENTITIES

In accordance with the applicable accounting guidance for the consolidation of variable interest entities, we analyze our variable interests, including loans, guarantees and equity investments, to determine if an entity in which we have a variable interest is a variable interest entity. Our analysis includes both quantitative and qualitative reviews. We base our quantitative analysis on the forecasted cash flows of the entity, and our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability, and relevant financial agreements. We also use our qualitative analyses to determine if we must consolidate a variable interest entity as its primary beneficiary.

Variable Interest Entities Related to Our Notes Receivable Securitizations

We periodically securitize, without recourse, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. These notes receivable securitizations provide funding for us and transfer the economic risks and substantially all the benefits of the loans to third parties. In a notes receivable securitization, various classes of debt securities that the special purpose entities issue are generally collateralized by a single tranche of transferred assets, which consist of vacation ownership notes receivable. We service the notes receivable. With each notes receivable securitization, we may retain a portion of the securities, subordinated tranches, interest-only strips, subordinated interests in accrued interest and fees on the securitized notes receivables or, in some cases, overcollateralization and cash reserve accounts.

Under GAAP as it existed before 2010, these entities met the definition of QSPEs, and we were not required to evaluate them for consolidation. We evaluated these entities for consolidation when we implemented the new Consolidation Standard in the 2010 first quarter. We created these entities to serve as a mechanism for holding assets and related liabilities, and the entities have no equity investment at risk, making them variable interest entities. We continue to service the notes receivable, transfer all proceeds collected to these special purpose entities, and retain rights to receive benefits that are potentially significant to the entities. Accordingly, we concluded under the new Consolidation Standard that we are the entities' primary beneficiary and, therefore, consolidate them. Please see Footnote No. 1, "Summary of Significant Accounting Policies," for additional information, including the impact of initial consolidation of these entities.

At year-end 2010, combined assets included in our Balance Sheet that are collateral for the obligations of these variable interest entities had a carrying amount of $1,081 million, comprised of $1,029 million of notes receivable (net of reserves), $7 million of interest receivable and $45 million of restricted cash. Further, at year-end 2010, combined liabilities included in our Balance Sheet for these variable interest entities had a carrying amount of $1,020 million, comprised of $3 million of interest payable and $1,017 million of debt. The noncontrolling interest balance was zero. The creditors of these entities do not have general recourse to us. As a result of our involvement with these entities, we recognized $139 million of interest income, offset by $51 million of interest expense to investors, and $4 million in debt issuance cost amortization.

The following table shows cash flows between us and the notes receivable securitization variable interest entities:

($ in millions)	2010
Cash inflows:	
Proceeds from notes receivable securitization	$ 215
Principal receipts	231
Interest receipts	142
Total	588
Cash outflows:	
Principal to investors	(230)
Repurchases	(93)
Interest to investors	(53)
Total	(376)
Net Cash Flows	$ 212

Under the terms of our notes receivable securitizations, we have the right at our option to repurchase defaulted mortgage notes at the outstanding principal balance. The transaction documents typically limit such repurchases to 10 to 20 percent of the transaction's initial mortgage balance. We made voluntary repurchases of defaulted notes receivable of $68 million during 2010, $81 million during 2009, and $56 million during 2008. We also made voluntary repurchases of $25 million of other non-defaulted notes receivable during 2010 to retire a previous notes receivable securitization from 2002. Our maximum exposure to loss relating to the entities that own these notes receivable is the overcollateralization amount (the difference between the loan collateral balance and the balance on the outstanding notes receivable), plus cash reserves and any residual interest in future cash flows from collateral.

Other Variable Interest Entities

In 2010, we completed the acquisition of the noncontrolling interest in an entity that develops and markets vacation ownership and residential products. We had previously concluded that the entity was a variable interest entity because the voting rights were not proportionate to the economic interests and we had consolidated the

entity because we were the primary beneficiary. Following our acquisition of the noncontrolling interest, we determined that this now wholly owned entity was no longer a variable interest entity.

In 2010, we caused the sale of substantially all of the assets and liabilities of an entity in which we have a call option on the equity, resulting in an $18 million gain (plus $3 million recorded in wholly owned entities) and net cash flow of $38 million (of a total $42 million in various entities). We had previously concluded that the entity, which holds property and land acquired for vacation ownership development that we operated as a hotel, was a variable interest entity because the equity investment at risk was not sufficient to permit it to finance its activities without additional support from other parties. We concluded we were the primary beneficiary because we had ultimate power to direct the activities that most significantly impact the entity's economic performance. Our involvement with the entity did not have a material effect on our financial performance or cash flows before 2010.

See Footnote No. 18, "Significant Investments," for information pertaining to an equity method investee that is a variable interest entity.

16. RESTRUCTURING COSTS AND OTHER CHARGES

During the latter part of 2008, our business was negatively affected by the global downturn in market conditions and particularly the significant deterioration in the credit markets. These declines resulted in cancellation of development projects and reduced contract sales. In the fourth quarter of 2008, we put company-wide cost-saving measures in place in response to these declines. The initiatives resulted in restructuring costs of $19 million and other charges of $44 million in the 2008 fourth quarter. As part of the restructuring actions we began in 2008 and as a result of the continued deterioration in market conditions, we initiated further cost-saving measures in 2009 associated with our business that resulted in additional restructuring costs of $44 million in 2009. We completed this restructuring in 2009 and have not incurred additional expenses in connection with these initiatives. We also recorded $29 million of other charges in 2009.

2008 Restructuring Costs

Total restructuring costs by segment for fiscal year 2008 are as follows:

($ in millions)	Severance	Facility Exit Related	Total
North America Segment	$ 8	$ 5	$ 13
Luxury Segment	1	—	1
Europe Segment	5	—	5
Total	$ 14	$ 5	$ 19

Severance

These various restructuring initiatives resulted in an overall reduction of 965 employees (the majority of whom were terminated by year-end 2008) across our business. We recorded a total workforce reduction charge of $14 million related primarily to severance and fringe benefits.

Facilities Exit Costs

As a result of workforce reductions, closure of sales centers and delays in filling vacant positions that were part of the restructuring, we ceased using certain leased facilities. We recorded a restructuring charge of approximately $5 million associated with these facilities, primarily related to non-cancelable lease costs in excess of estimated sublease income.

2008 Other Charges

Total other charges by segment for fiscal year 2008 are as follows:

($ in millions)	Contract Cancellation Allowance	Residual Interest Valuation	Total
Luxury Segment	$ 12	$ —	$ 12
Corporate and other	—	32	32
Total	$ 12	$ 32	$ 44

Contract Cancellation Allowances

Our Financial Statements reflected net contract cancellation allowances totaling $12 million we recorded in the 2008 fourth quarter in anticipation that a portion of contract revenue and cost previously recorded for certain projects under the percentage-of-completion method would not be realized due to contract cancellations prior to closing. We had an equity method investment in one of these projects, and reflected $7 million of the $12 million in the Equity in (losses) earnings caption on our Statements of Operations. The remaining net $5 million of contract cancellation allowances consisted of a reduction in revenue, net of adjustments to product costs and other direct costs, and was recorded in Sales of vacation ownership products and Cost of vacation ownership products on our Statements of Operations.

Residual Interests Valuation

The fair market value of our residual interests in securitized notes receivable declined in the fourth quarter of 2008 primarily due to an increase in the market rate of interest at which we discount future cash flows to estimate the fair market value of the retained interests. The increase in the market rate of interest reflected deteriorating economic conditions and disruption in the credit markets, which significantly increased the borrowing costs to issuers. As a result of this change, we recorded a $32 million charge in Financing revenues caption on our Statement of Operations to reflect the decrease in the fair value of these residual interests.

2009 Restructuring Costs

Total restructuring costs by segment for fiscal year 2009 are as follows:

($ in millions)	Severance	Facility Exit Related	Total
North America Segment	$ 10	$ 21	$ 31
Luxury Segment	1	2	3
Europe Segment	2	1	3
Asia Pacific Segment	2	5	7
Total	$ 15	$ 29	$ 44

We recorded further restructuring costs in 2009 of $44 million, including: (1) $15 million in severance costs for the severance of 983 employees; and (2) $29 million in facility exit costs primarily associated with non-cancelable lease costs in excess of estimated sublease income arising from the reduction in personnel and ceased use of certain lease facilities. We completed this restructuring in 2009 and did not incur additional expenses in connection with these initiatives.

2009 Other Charges

Total other charges by segment for fiscal year 2009 are as follows:

($ in millions)	Contract Cancellation Allowance	Residual Interest Valuation	Total
Luxury Segment	$ 9	$ —	$ 9
Corporate and other	—	20	20
Total	$ 9	$ 20	$ 29

Contract Cancellation Allowances

Our Financial Statements reflect 2009 net contract cancellation allowances of $9 million recorded in anticipation that a portion of contract revenue and costs previously recorded for certain projects under the percentage-of-completion method will not be realized due to contract cancellations prior to closing. We had an equity method investment in one of these projects, and accordingly, we reflected $6 million of the $9 million in the Equity in (losses) earnings caption on our Statements of Operations. The remaining net $3 million of contract cancellation allowances consisted of a reduction in revenue, net of adjustments to product costs and other direct costs and was recorded in Sales of vacation ownership products, net and Cost of vacation ownership products on our Statements of Operations.

Residual Interests Valuation

The fair market value of our residual interests in securitized notes receivable declined in the first half of 2009 primarily due to an increase in the market rate of interest at which we discounted future cash flows to estimate the fair market value of the retained interests as well as certain previously securitized notes receivable pools reaching performance triggers. The increase in the market rate of interest reflected an increase in defaults caused by the continued deteriorating economic conditions. As a result of this change, we recorded an $11 million charge in the 2009 first quarter, which was partially offset by a $7 million favorable impact from changes in assumptions related to discount rate, defaults and prepayments in the 2009 second, third and fourth quarters. Eight previously securitized notes receivable pools reached performance triggers as a result of increased defaults (one pool in March 2009, six pools in April and May 2009, and one pool in December 2009). These performance triggers effectively redirected the excess spread we typically receive each month to accelerate returns to investors and resulted in $20 million in charges in the first half of 2009. In the 2009 second half, notes receivable performance improved sufficiently in seven of the eight previously securitized notes receivable pools to cure the performance triggers, resulting in a $4 million benefit to residual interest. We recorded these charges in the Financing revenues caption on our Statements of Operations. The tables summarizing the changes to our Level 3 assets and liabilities which are measured at fair value on a recurring basis in Footnote No. 5, “Fair Value Measurements,” reflect the $20 million in total charges in 2009 on the “Included in earnings” line, which also reflects a partial offset due to other changes in the underlying assumptions that impact the fair value of the residual interests and the cure of the performance triggers in the 2009 second half.

Summary of Restructuring Costs and Liability

The following table provides additional information regarding our restructuring, including the balance of the liability at year-end 2010 and total costs incurred through the end of the restructuring in 2009:

($ in millions)	Restructuring Costs Liability at Year-End 2008	2009 Restructuring Charges	Cash Payments in 2009	Non-Cash Adjustments in 2009	Restructuring Costs Liability at Year-End 2009	Cash Payments in 2010	Restructuring Costs Liability at Year-End 2010	Total Cumulative Restructuring Costs through 2009
Severance	$ 11	$ 15	$ 21	$ (1)	$ 4	$ 3	$ 1	$ 29
Facilities exit costs	5	29	7	(9)	18	5	13	34
Total restructuring costs	$ 16	$ 44	$ 28	$ (10)	$ 22	$ 8	$ 14	$ 63

17. IMPAIRMENT CHARGES

In accordance with ASC 978, "*Real Estate—Time-sharing Activities*," and ASC 360, "*Property, Plant, and Equipment*," we have recorded impairment adjustments to inventory, property and equipment and one joint venture investment and related party notes receivable to adjust the carrying value of underlying assets to our estimate of its fair value when required.

($ in millions)	2010	2009	2008
Impairment Charge			
Inventory impairment	$ 1	$546	$ 44
Property and equipment impairment	14	56	—
Other impairments	—	21	—
Total impairment charge	$ 15	$623	$ 44

Refer to Footnote No. 18, "Significant Investments," for discussion of the impairment charges that impacted equity investments.

2008 Impairment Charges

We incurred total impairment charges during 2008 as follows:

($ in millions)	North America Segment	Luxury Segment	Europe Segment	Total
Impairment Charge				
Inventory impairment	$ 9	$ 25	$ 10	$ 44

The $25 million of impairment charges in the Luxury segment primarily consisted of a $22 million non-cash impairment charge for a vacation ownership and residential real estate project held for development by a Luxury segment joint venture that we consolidate. We recorded a pretax benefit of $12 million in the 2008 third quarter within the Net losses attributable to noncontrolling interests, net of tax line on our Statements of Operations representing our joint venture partner's pretax share of the $22 million impairment charge. We made the net $10 million adjustment in accordance with ASC 360 to adjust the carrying value of the real estate to its estimated fair value, in accordance with ASC 820, "*Fair Value Measurements and Disclosures*." The downturn in market conditions including contract cancellations and tightening in the credit markets, especially for jumbo mortgage loans as they related to our ability to sell residential products, were the predominant items we considered in our analysis. We estimated the fair value of the inventory utilizing a probability weighted cash flow model containing our expectations of future performance discounted at a risk-free interest rate determined from the yield curve for U.S. Treasury instruments.

We sometimes incur certain costs associated with the development of properties, including legal costs, the cost of land, and planning and design costs. We capitalize these costs as incurred and they become part of the cost basis of the property once it is developed. As a result of the sharp downturn in the economy, we decided to discontinue certain development projects that required our investment. As a result of these development cancellations, we expensed $13 million of previously capitalized costs, $9 million of which we recorded in our North America segment, $3 million in our Luxury segment and $1 million in our Europe segment.

As a result of terminating certain phases of vacation ownership development in Europe, we recorded an inventory write-down of $9 million in the fourth quarter of 2008 in that segment.

2009 Impairment Charges

We incurred total impairment charges during 2009 as follows:

($ in millions)	North America Segment	Luxury Segment	Europe Segment	Asia Pacific Segment	Corporate and Other	Total
Impairment Charge						
Inventory impairment	$ 105	$ 391	$ 44	$ 6	$ —	$546
Property and equipment impairment	3	31	7	8	7	56
Other impairments	—	19	—	2	—	21
Total impairment charge	$ 108	$ 441	$ 51	$ 16	$ 7	$623

In response to the difficult business conditions that the vacation ownership and residential products development businesses experienced, we evaluated our entire portfolio in 2009. In order to adjust our business strategy to reflect current market conditions at that time, we approved plans to take the following actions: (1) for our residential products projects, reduce prices, convert certain proposed projects to other uses, sell some undeveloped land, and not pursue further company-funded residential development projects; (2) reduce prices for existing Luxury segment vacation ownership units; (3) continue short-term promotions for our North America segment vacation ownership business and defer the introduction of new projects and development phases; and (4) for our Europe resorts, continue promotional pricing and marketing incentives and not pursue further development. We designed these plans, which primarily related to residential products and vacation ownership resorts, to stimulate sales, accelerate cash flow and reduce investment spending.

We estimated the fair value of the underlying assets using probability-weighted cash flow models that reflected our expectations of future performance discounted at risk-free interest rates commensurate with the remaining life of the related projects, using the guidance specified in ASC 820. We used Level 3 inputs for our discounted cash flow analyses. Our assumptions included: growth rate and sales pace projections, additional pricing discounts resulting from the business decisions we made, development cancellations resulting in shorter project life cycles, marketing and sales cost estimates, and in certain instances alternative uses to comply with ASC 820's highest and best use provisions. In some instances, we took into account appraisals, which we deemed to be Level 3 inputs, for the fair value of the underlying assets.

Other impairments primarily related to our anticipated fundings in conjunction with certain purchase commitments, a portion of which we did not expect to recover because the projected fair value of the assets to be purchased under the commitments would be below the amount we expect to fund. We measured the projected fair value of the assets using probability-weighted cash flow models with Level 3 inputs, in accordance with ASC 820. Our assumptions included: growth rate and sales pace projections, additional pricing discounts as a result of the business decisions made, marketing and sales cost estimates, and in certain instances alternative uses to comply with ASC 820's highest and best use provisions.

The impairment charges were non-cash, other than $21 million of charges accrued for funding of future purchase commitments.

Software Development Write-off

In 2009, we recorded a non-cash impairment charge of $7 million for the write-off of capitalized software. We concluded that continued development of this software was not cost effective given continued cost savings initiatives associated with the challenging business environment and we will instead pursue alternative lower cost solutions.

2010 Impairment Charges

We incurred total impairment charges during 2010 as follows:

($ in millions)	Luxury Segment	Asia Pacific Segment	Total
Impairment Charge			
Inventory impairment	$ 6	$ —	$ 6
Property and equipment impairment	14	—	14
Other impairments (reversals)	—	(5)	(5)
Total impairment charge	$ 20	$ (5)	$ 15

We estimated the fair value of the underlying assets using cash flow models that reflected our expectations of future performance discounted at varying rates to capture the inherent risk in each model.

In the 2010 fourth quarter, we decided to pursue the disposition of a golf course and related assets. In accordance with the guidance for the impairment of long-lived assets, we evaluated the property and related assets for recovery and in 2010 we recorded an impairment charge of $14 million to adjust the carrying value of the assets to our estimate of fair value. We estimated that fair value using an income approach reflecting internally developed Level 3 discounted cash flows based on negotiations with a qualified prospective third-party purchaser of the asset.

In the 2010 first quarter, we negotiated an amendment to a purchase commitment for vacation ownership units to be delivered to our Asia Pacific segment in 2011, resulting in a reversal of a $5 million of previously recorded impairment charge for anticipated funding in connection with the purchase commitment. Further, we recorded $6 million of additional inventory impairment charges in our Luxury segment due to continued sluggish sales pace.

18. SIGNIFICANT INVESTMENTS

Significant Investment in One Joint Venture

We use the equity method of accounting for our investments in other companies over which we exercise significant influence and we include the net earnings of these investments as Equity in (losses) earnings on our Statements of Operations. Our investments in other companies consist primarily of an investment in and a note receivable due from a variable interest entity that develops and markets vacation ownership and residential products in Hawaii. We concluded that the entity is a variable interest entity because the equity investment at risk is not sufficient to permit the entity to finance its activities without additional support from other parties. We have determined that we are not the primary beneficiary as power to direct the activities that most significantly impact economic performance of the entity is shared among the variable interest holders and, therefore, we do not consolidate the entity. In 2009, we fully impaired our equity investment and certain notes receivable due from the entity. In 2010, the continued application of equity losses to our remaining outstanding notes receivable balance reduced its carrying value to zero. We may fund up to an additional $16 million and do not expect to recover this amount, which we have accrued and included in other liabilities on our Balance Sheets. The funding liability meets the criteria of probable and reasonably estimable, in accordance with the guidance in ASC 450, “*Contingencies*,” at year-end 2010. We do not have any remaining exposure to loss related to this entity.

We loaned $12 million and $52 million to the venture in 2009 and 2008, respectively. We collected $6 and $7 million in 2009 and 2008, respectively. Additionally we loaned $20 million, secured by a mortgage, to one of the partners in the venture in 2009 related to its acquisition of residential units from the venture.

In response to the difficult business conditions that the vacation ownership and residential products development businesses experienced, we evaluated our equity method investment in this variable interest entity

in the 2009 third quarter. In order to adjust the business strategy to reflect current market conditions, on September 22, 2009, we, as the project's marketing and sales agent, approved plans to reduce prices for the venture's vacation ownership and residential products in order to stimulate sales, accelerate cash flow and reduce investment spending. As a result of change in strategy, we impaired our equity method investment. We also reviewed the recoverability of loans made to the venture and our obligations related to the venture and recorded the following charges in Impairment Reversal (Charge) on Equity Investment:

($ in millions)	2010	2009	2008
Impairment Reversal (Charge) on Equity Investment			
Joint venture impairment	$—	$ (71)	$—
Loan impairment	—	(40)	—
Funding liability	11	(27)	—
Total impairment reversal (charge) on equity investment	$ 11	$(138)	$—

We estimated the fair value of our investment using probability-weighted cash flow models that reflected our expectations of future performance discounted at risk-free interest rates commensurate with the remaining life of the related projects, using the guidance specified in ASC 820. We used Level 3 inputs for our discounted cash flow analyses. Our assumptions included: growth rate and sales pace projections, additional pricing discounts resulting from the business decisions we made and marketing and sales cost estimates.

We fully reserved certain notes receivable in accordance with ASC 310, based on the present value of the notes receivable's expected cash flows discounted at the notes receivable's effective interest rates.

In the 2010 fourth quarter, we reversed $11 million of the $27 million funding liability we recorded in 2009, based on facts and circumstances surrounding the project, including progress on certain construction-related legal claims and potential funding of certain costs by one of our partners. In addition, the venture was unable to pay one of its promissory notes when it was due on December 31, 2010. The partners, on behalf of the venture, continue to negotiate an extension of the maturity date.

We provide marketing and sales, construction management, property management and accounting services to the venture. Fees for such services were $2 million in 2010, $5 million in 2009 and $1 million in 2008 and are included in Resort management and other services revenues of our Statements of Operations.

Other

We have other investments in (i) a venture that developed and sells vacation ownership products in Thailand and (ii) an ancillary operation in the United States. At each of year-end 2010 and 2009 our investments were $1 million and $2 million in total, respectively. We include the investments in Other within Assets on our Balance Sheets.

Impact of Investments

The combined results of operations and combined financial position of our equity method investees are summarized below:

($ in millions)	2010	2009	2008
Condensed Statements of Operations information:			
Net revenue	$ 11	$ (47)	$127
Cost of sales	(7)	29	(92)
Impairment	—	(210)	—
Income (loss) from operations	(108)	(28)	(7)
Net income (loss)	$(104)	$(256)	$ 28

	2010	2009
Condensed Balance Sheet information:		
Current assets	$ 163	$ 270
Non-current assets	16	15
Total assets	$ 179	$ 285
Current liabilities	$ 13	$ 20
Non-current liabilities	338	333
Equity (deficit)	(172)	(68)
Total liabilities and equity	$ 179	$ 285

Equity in (losses) earnings recognized on our Statements of Operations that were attributable to our significant investment is shown below:

($ in millions)	2010	2009	2008
Equity in (losses) earnings of significant investment to Marriott Vacations Worldwide	$ (8)	$(12)	$11

The total cash contributions to our equity method investees were $0 in 2010, $0 in 2009 and $5 million in 2008. The total cash distributions from our equity method investees were $0 in 2010, $1 million in 2009 and $3 million in 2008.

19. RELATED PARTY TRANSACTIONS

Refer to Footnote No. 18, “Significant Investments,” for related party transactions with our equity method investees.

Within our Asia Pacific segment as noted in Footnote No. 7, “Acquisitions and Dispositions,” we acquired purpose-built units for cash consideration of $39 million and assumption of liabilities of $24 million in 2008 from a co-investor in an equity method investee. We also purchased vacation ownership products for $1 million in 2009 from the equity method investee.

Services Provided by Marriott International and General Corporate Overhead

Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by

Marriott International to reflect reasonable allocation to us of the actual costs incurred to perform these services. Marriott International charged us approximately $30 million in 2010, $25 million in 2009 and $25 million in 2008 for such services.

Marriott International allocated indirect general and administrative costs to us for certain functions and services provided to us by Marriott International, including, but not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support primarily on the basis of our proportion of Marriott International's overall revenue. Accordingly, we were allocated $15 million in 2010, $13 million in 2009 and $17 million in 2008 of Marriott International's indirect general and corporate overhead expenses and have included these expenses in General and administrative expenses on our Statements of Operations.

Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented in accordance with *Securities and Exchange Commission Staff Accounting Bulletin Topic 1: Financial Statements.* We determined that our relative revenue was a reasonable reflection of Marriott International time dedicated to the oversight of our historical business. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties.

Cash Management

Marriott International did not allocate to us the cash and cash equivalents that Marriott International held at the corporate level for any of the periods presented. Cash and cash equivalents in our combined Balance Sheets primarily represent cash held by international entities at the local level. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of parent company investment.

Historically, Marriott International has not charged us interest expense (and we have not earned interest revenue) on our net cash balance due to/from Marriott International except for amounts capitalized in inventory and property and equipment.

Our weighted-average outstanding cash balance due to Marriott International was approximately $979 million in 2010, $1,158 million in 2009 and $924 million in 2008. We reflect the total net effect of the settlement of these intercompany transactions in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

The transactions to reconcile the Net Parent Investment, including our use of cash from Marriott International, and cash provided to Marriott International by us, are reflected in our Cash Flows.

Refer to Cash Flows for more information.

Marriott Rewards Customer Loyalty Program

We participate in the Marriott Rewards customer loyalty program and offer points as incentives to vacation ownership purchasers and/or in connection with exchange or other activities. This program, which Marriott International maintained and administered, is a frequent customer loyalty program in which program members earn or receive points based on the monetary spending at Marriott International's lodging operations or as an incentive to purchase vacation ownership and residential products. Points cannot be redeemed for cash. We

include the estimated cost of future redemptions of points that Marriott International issued on our behalf (approximately $75 million in 2010, $91 million in 2009 and $105 million in 2008) in our historical segment results.

Guarantees

Marriott International guarantees our performance under various contractual arrangements including responsibilities related to surety bonds, servicing securitized notes receivable and guarantees that we provide to third parties.

Fee Sharing

We share management fees received from vacation ownership associations for our Luxury segment developments with Marriott International, generally on a 50/50 basis. Our portion of the fees shared was $3 million in 2010, $3 million in 2009 and $2 million in 2008 which we have presented in the Resort management and other services caption of our Statements of Operations.

20. BUSINESS SEGMENTS

We operate in four business segments:

- In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.
- In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destinations Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand.
- In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe.
- In our Asia Pacific segment, we operate Marriott Vacation Club, Asia Pacific, a right-to-use points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market.

We evaluate the performance of our segments based primarily on the results of the segment without allocating corporate expenses, income taxes or indirect general and administrative expenses. We do not allocate corporate interest expense or other financing expenses to our segments. Prior to 2010, we included notes receivable securitization gains/(losses) in our Financing revenues on our Statements of Operations. Due to our adoption of the new Consolidation Standard, we no longer account for notes receivable securitizations as sales but rather as secured borrowings as defined in that topic, and therefore, we did not recognize a gain or loss on the 2010 notes receivable securitization nor do we expect to recognize gains or losses on future notes receivable securitizations. We include interest income specific to segment activities within the appropriate segment. We allocate other gains and losses, equity in earnings or losses from our joint ventures, general and administrative expenses, and income or losses attributable to noncontrolling interests to each of our segments. Corporate and other represents that portion of our revenues, general, administrative and other expenses, equity in earnings or losses, and other gains or losses that are not allocable to our segments.

Revenues

($ in millions)	2010	2009	2008
North America	$1,251	$1,195	$1,489
Luxury	103	127	130
Europe	134	122	176
Asia Pacific	96	93	118
Total segment revenues	1,584	1,537	1,913
Corporate and other	—	59	3
	$1,584	$1,596	$1,916

Net Income (Loss)

($ in millions)	2010	2009	2008
North America	$ 280	$ (2)	$ 224
Luxury	(47)	(630)	(71)
Europe	15	(49)	(22)
Asia Pacific	29	(26)	13
Total segment financial results	277	(707)	144
Corporate and other	(165)	(56)	(135)
(Provision) Benefit for income taxes.	(45)	231	(25)
	$ 67	$(532)	$ (16)

Net Losses Attributable to Noncontrolling Interests

($ in millions)	2010	2009	2008
Luxury	$—	$11	$25

Equity in (Losses) Earnings of Equity Method Investees

($ in millions)	2010	2009	2008
Luxury	$ (8)	$ (12)	$ 11
Total segment equity in (losses) earnings	(8)	(12)	11
Corporate and other	—	—	—
	$ (8)	$ (12)	$ 11

Depreciation

($ in millions)	2010	2009	2008
North America	$14	$15	$15
Luxury	3	4	5
Europe	3	4	5
Asia Pacific	2	2	1
Total segment depreciation and amortization	22	25	26
Corporate and other	13	17	18
	$35	$42	$44

Assets

($ in millions)	At Year-End 2010	At Year-End 2009
North America	$1,355	$1,255
Luxury	368	338
Europe	104	121
Asia Pacific	61	94
Total segment assets	1,888	1,808
Corporate and other	1,754	1,228
	$3,642	$3,036

Equity Method Investments

($ in millions)	At Year-End 2010	At Year-End 2009
North America	$ —	$ 1
Asia Pacific	1	1
Total segment equity method investments	1	2
Corporate and other	—	—
	$ 1	$ 2

Capital Expenditures

($ in millions)	2010	2009	2008
North America	$100	$247	$604
Luxury	120	54	91
Europe	7	18	21
Asia Pacific	2	9	92
Total segment capital expenditures	229	328	808
Corporate and other	9	9	24
	$238	$337	$832

Our Financial Statements include the following related to operations located outside the United States (which are predominately related to our Europe and Asia Pacific segments):

- Revenues of $274 million in 2010, $263 million in 2009 and $383 million in 2008; and
- Fixed assets of $124 million in 2010 and $148 million in 2009. At year-end 2010 and year-end 2009, fixed assets located outside the United States are included within the “Property and equipment” caption in our Balance Sheets.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED STATEMENTS OF OPERATIONS
($ in millions)
(Unaudited)

	Twenty-four Weeks Ended	
	June 17, 2011	June 18, 2010
REVENUES		
Sales of vacation ownership products, net	$ 295	$ 298
Resort management and other services	108	102
Financing	80	90
Rental	95	89
Other	15	15
Cost reimbursements	158	151
TOTAL REVENUES	751	745
EXPENSES		
Costs of vacation ownership products	116	121
Marketing and sales	154	160
Resort management and other services	91	88
Financing and other	17	19
Rental	94	92
General and administrative	38	36
Interest	22	28
Impairment reversal	—	(5)
Cost reimbursements	158	151
TOTAL EXPENSES	690	690
Equity in losses	—	(7)
INCOME BEFORE INCOME TAXES	61	48
Provision for income taxes	(26)	(18)
NET INCOME	$ 35	$ 30

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED BALANCE SHEETS
($ in millions)
(Unaudited)

	June 17, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	$ 25	$ 26
Restricted cash (including $61 and $45 from VIEs, respectively)	75	66
Accounts and contracts receivable (net of allowance of $1 and $1, respectively)	97	100
Notes receivable (including $913 and $1,029 from VIEs, respectively)	1,188	1,254
Inventory	1,349	1,412
Property and equipment	306	310
Deferred taxes	316	333
Other (including $5 and $7 from VIEs, respectively)	136	141
Total Assets	$3,492	$ 3,642
LIABILITIES AND DIVISIONAL EQUITY		
Accounts payable	$ 62	$ 87
Advance deposits	57	48
Accrued liabilities	108	92
Deferred revenue	41	56
Payroll and benefits liability	61	72
Liability for Marriott Rewards loyalty program	198	220
Deferred compensation liability	63	64
Debt (including $895 and $1,017 from VIEs, respectively)	898	1,022
Other (including $5 and $4 from VIEs, respectively)	88	77
Total Liabilities	1,576	1,738
Contingencies and Commitments (Note 7)		
Divisional Equity		
Net Parent Investment	1,888	1,876
Accumulated other comprehensive income	28	28
	1,916	1,904
Total Liabilities and Divisional Equity	$3,492	$ 3,642

The abbreviation VIEs above means Variable Interest Entities.

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
INTERIM COMBINED STATEMENTS OF CASH FLOWS
($ in millions)
(Unaudited)

	Twenty-four Weeks Ended	
	June 17, 2011	June 18, 2010
OPERATING ACTIVITIES		
Net income	$ 35	$ 30
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16	16
Income taxes	17	28
Equity method loss	—	7
Impairment reversal	—	(5)
Real estate inventory spending less than cost of sales	61	60
Notes receivable collections in excess of new mortgages	51	59
Financially reportable sales (less than) greater than closed sales	(4)	15
Decrease in accounts payable	(25)	(20)
All other, including other working capital charges	1	15
Net cash provided by operating activities	152	205
INVESTING ACTIVITIES		
Capital expenditures for property and equipment (excluding inventory)	(8)	(13)
Dispositions	1	—
Net cash used in investing activities	(7)	(13)
FINANCING ACTIVITIES		
Repayment of debt related to securitizations	(121)	(134)
Repayment of third party debt	(2)	(40)
Net transfers to parent	(23)	(22)
Net cash used in financing activities	(146)	(196)
DECREASE IN CASH AND EQUIVALENTS	(1)	(4)
CASH AND CASH EQUIVALENTS, beginning	26	32
CASH AND CASH EQUIVALENTS, end	$ 25	$ 28

See Notes to Interim Combined Financial Statements

MARRIOTT VACATIONS WORLDWIDE CORPORATION
NOTES TO INTERIM COMBINED FINANCIAL STATEMENTS
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our Business

Marriott Vacations Worldwide Corporation ("Marriott Vacations Worldwide," "we" or "us," which includes our combined subsidiaries except where the context of the reference is to a single corporate entity) is the exclusive worldwide developer, marketer, seller and manager of vacation ownership and related products under the Marriott Vacation Club and Grand Residences by Marriott brands. We are also the exclusive global developer, marketer and seller of vacation ownership and related products under the Ritz-Carlton Destination Club brand, and we have the non-exclusive right to develop, market and sell whole ownership residential products under the Ritz-Carlton Residences brand. The Ritz-Carlton Hotel Company, L.L.C. (a subsidiary of Marriott International) ("Ritz-Carlton") generally provides on-site management for Ritz-Carlton branded properties.

Our business is grouped into four segments: North America, Luxury, Europe and Asia Pacific. We operate 64 properties (under 71 separate resort management contracts) in the United States and eight other countries and territories.

We generate most of our revenues from four primary sources: selling vacation ownership products; managing our resorts; financing consumer purchases; and renting vacation ownership inventory.

Our Spin-off from Marriott International, Inc.

On February 14, 2011, Marriott International, Inc. (together with its consolidated subsidiaries, excluding Marriott Vacations Worldwide, "Marriott International") announced plans for the separation of Marriott Vacations Worldwide, which represents 100 percent of our assets and liabilities, revenues, expenses, and cash flows, and those variable interest entities for which Marriott Vacations Worldwide is the primary beneficiary in accordance with Accounting Standards Codification, "*Consolidations*" ("ASC 810"), of the vacation ownership division of Marriott International, also referred to as the "spin-off." Prior to the spin-off, Marriott International will complete an internal reorganization to contribute its non-U.S. and U.S. subsidiaries that conduct vacation ownership business and Marriott Ownership Resorts, Inc., which does business under the name Marriott Vacation Club International, a wholly owned subsidiary of Marriott International, to Marriott Vacations Worldwide, a newly formed wholly owned subsidiary of Marriott International. The spin-off will be completed by way of a pro rata dividend of the Marriott Vacations Worldwide shares by Marriott International to its shareholders as of the record date. Immediately following completion of the spin-off, Marriott International shareholders will own 100% of the outstanding shares of common stock of Marriott Vacations Worldwide. After the spin-off, Marriott Vacations Worldwide will operate as an independent, publicly traded company.

The distribution of our common stock to Marriott International shareholders is conditioned on, among other things, the receipt of a favorable ruling from the Internal Revenue Service and an opinion of tax counsel confirming that the distribution of shares of Marriott Vacations Worldwide common stock will not result in the recognition, for U.S. federal income tax purposes, of income, gain or loss by Marriott International or Marriott International shareholders, except, in the case of Marriott International shareholders, for cash received in lieu of fractional common shares; our registration statement on Form 10 becoming effective; and the execution of intercompany agreements. The transaction will not require shareholder approval and will have no impact on Marriott International's contractual obligations to the existing notes receivable securitizations further discussed within Footnote No. 3, "Asset Securitizations", of our audited annual Combined Financial Statements, contained elsewhere in this registration statement.

Principles of Combination and Basis of Presentation

The interim combined financial statements presented herein, and discussed below, have been prepared on a stand-alone basis and are derived from the interim condensed consolidated financial statements and accounting records of Marriott International. These interim combined financial statements have been prepared as if the reorganization described in "Our Spin-off from Marriott International, Inc." above has taken place. The combined financial statements reflect our historical financial position, results of operations and cash flows as we were historically managed, in conformity with United States generally accepted accounting principles ("GAAP"). All significant intracompany transactions and accounts within these Combined Financial Statements have been eliminated.

We refer throughout to (i) our Interim Combined Financial Statements as our "Financial Statements," (ii) our Interim Combined Statements of Operations as our "Statements of Operations," (iii) our Interim Combined Balance Sheets as our "Balance Sheets," (iv) our Interim Combined Statements of Cash Flows as our "Cash Flows" and (v) Accounting Standards Update No. 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" ("ASU No. 2009-17"), which we adopted on the first day of the 2010 fiscal year, as the new "Consolidation Standard."

Unless otherwise specified, each reference to a particular quarter in these financial statements means the quarter ended on the date shown in the following table, rather than the corresponding calendar quarter:

Quarter	Quarter –End Date
2011 Second Quarter	June 17, 2011
2011 First Quarter	March 25, 2011
2010 Fourth Quarter	December 31, 2010
2010 Second Quarter	June 18, 2010
2010 First Quarter	March 26, 2010

In our opinion, our Financial Statements reflect all normal and recurring adjustments necessary to present fairly our financial position as of June 17, 2011, and December 31, 2010, the results of our operations for the twenty-four weeks ended June 17, 2011, and June 18, 2010, and cash flows for the twenty-four weeks ended June 17, 2011, and June 18, 2010. Interim results may not be indicative of fiscal year performance because of seasonal and short-term variations.

These Financial Statements have not been audited. We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP. Although we believe our disclosures are adequate to make the information presented not misleading, you should read these interim Financial Statements in conjunction with the audited annual Combined Financial Statements and notes to those Financial Statements included elsewhere in this registration statement.

All significant transactions between us and Marriott International have been included in these Financial Statements. The total net effect of the settlement of these intercompany transactions is reflected in the Cash Flows as a financing activity and in the Balance Sheets as Net Parent Investment.

In connection with the spin-off, Marriott Vacations Worldwide will enter into agreements with Marriott International and other third parties that have either not existed historically, or that may be on different terms than the terms of the arrangement or agreements that existed prior to the spin-off. These Financial Statements do not reflect the impact of these new and/or revised agreements, including licensing fees payable to Marriott International, Marriott Rewards customer loyalty program arrangements, financing, operations and personnel needs of our business. Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these Financial Statements, but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification

or on a basis determined by Marriott International to reflect a reasonable allocation to us of the actual costs incurred to perform these services. Marriott International allocated indirect general and administrative costs to us for certain functions provided by Marriott International. These services provided to us include, but are not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support which were allocated to us primarily on the basis of our proportion of Marriott International's overall revenue. Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties. For an interim period some of these functions will continue to be provided by Marriott International under one or more transition services agreements ("TSA"). In addition to the TSA, we will enter into a number of commercial agreements with Marriott International in connection with the spin-off, many of which are expected to have terms longer than one year.

Marriott International uses a centralized approach to U.S. domestic cash management and financing of its operations. The majority of our domestic cash is transferred to Marriott International daily and Marriott International funds our operating and investing activities as needed. Accordingly, the cash and cash equivalents held by Marriott International at the corporate level were not allocated to us for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held locally by international entities included in our Financial Statements. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment on the Balance Sheets. We have included debt incurred from our limited direct financing and subsequent to the adoption of the new Consolidation Standard, historical notes receivable securitizations, on our Balance Sheets, as this debt is specific to our business. Marriott International has not allocated a portion of its external Senior Debt interest cost to us since none of the external Senior Debt recorded by Marriott International is directly related to our business. We also have not included any interest expense for cash advances from Marriott International since historically Marriott International has not allocated any interest expense related to intercompany advances to any of the historical Marriott International divisions.

Marriott International maintains self-insurance programs at a corporate level. Marriott International allocated a portion of expenses associated with these programs as part of the historical costs for services Marriott International provided. Marriott International did not allocate any portion of the related reserves as these reserves represent obligations of Marriott International which are not transferable. See Footnote No. 11, "Related Party Transactions," for further description of our transactions with Marriott International.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates include, but are not limited to, revenue recognition, inventory valuation, property and equipment valuation, loan loss reserves, valuation of investments in ventures, residual interests valuation, Marriott Rewards customer loyalty program liabilities, equity-based compensation, income taxes, loss contingencies and liabilities for restructuring activities. Actual amounts may differ from these estimated amounts. For each of the periods presented, Marriott Vacations Worldwide was a subsidiary of Marriott International. The Financial Statements may not be indicative of our future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had we operated as an independent, publicly traded company during the periods presented.

New Accounting Standards

Accounting Standards Update No. 2010-06—Provisions Effective in the 2011 First Quarter ("ASU No. 2010-06")

Certain provisions of ASU No. 2010-06 became effective during our 2011 first quarter. Those provisions, which amended Subtopic 820-10, require us to present as separate line items all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation of fair value measurements, in contrast to the prior aggregate presentation as a single line item. The adoption did not have a material impact on our Financial Statements or disclosures.

ASU 2011-04—Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRS

In May 2011, the FASB issued ASU 2011-04, "*Fair Value Measurement*" ("ASU 2011-04"). ASU 2011-04 is intended to create consistency between GAAP and International Financial Reporting Standards ("IFRS") on the definition of fair value and on the guidance on how to measure fair value and on what to disclose about fair value measurements. ASU 2011-04 will be effective for financial statements issued for fiscal periods beginning after December 15, 2011, with early adoption prohibited for public entities. We are currently evaluating the impact ASU 2011-04 will have on our Financial Statements.

ASU 2011-05—Comprehensive Income (Topic 220)

In June 2011, the FASB issued ASU 2011-05, "*Comprehensive Income*" ("ASU 2011-05"). Prior to the issuance of ASU 2011-05, existing GAAP allowed three alternatives for presentation of other comprehensive income ("OCI") and its components in financial statements. ASU 2011-05 removes the option to present the components of OCI as part of the statement of changes in stockholders' equity. In addition, ASU 2011-05 requires consecutive presentation of the statement of operations and OCI and presentation of reclassification adjustments on the face of the financial statements from OCI to net income. These changes apply to both annual and interim financial statements commencing, with retrospective application, for the fiscal periods beginning after December 15, 2011, with early adoption permitted. We are currently evaluating the impact that ASU 2011-05 will have on our Financial Statements.

2. INCOME TAXES

Our operating results have been included in Marriott International's consolidated U.S. federal and state income tax returns, as well as included in many of Marriott International's tax filings for non-U.S. jurisdictions. The provision for income taxes in these Financial Statements has been determined on a separate return basis. Our contribution to Marriott International's tax losses and tax credits on a separate return basis has been included in these Financial Statements. Our separate return basis tax loss and tax credit carry backs may not reflect the tax positions taken or to be taken by Marriott International. In many cases, tax losses and tax credits generated by us have been available for use by Marriott International and will largely remain with Marriott International after the spin-off.

We have unrecognized tax benefits of $2 million and $1 million at June 17, 2011 and December 31, 2010, respectively, of which approximately $2 million and $1 million at June 17, 2011 and December 31, 2010, respectively, if recognized, would affect the effective tax rate, net of resulting changes in valuation allowances.

As a large taxpayer, Marriott International is continuously under audit by the IRS and other taxing authorities. Although we do not anticipate that these audits will have a significant impact on our unrecognized tax benefit balance during the next 52 weeks, it is possible that the amount of our liability for unrecognized tax benefits could change over that time period.

3. NOTES RECEIVABLE

We show the composition of our notes receivable balances (net of reserves) in the following table:

($ in millions)	June 17, 2011	December 31, 2010
Vacation ownership notes receivable—securitized	$ 913	$ 1,029
Vacation ownership notes receivable—non-securitized	275	225
	$1,188	$ 1,254

The following tables show future principal payments (net of reserves) as well as interest rates for our securitized and non-securitized vacation ownership notes receivable.

($ in millions) Fiscal Year	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
2011	$ 38	$ 66	$ 104
2012	37	116	153
2013	32	121	153
2014	26	122	148
2015	24	118	142
Thereafter	118	370	488
Balance at June 17, 2011	$ 275	$ 913	$ 1,188
Weighted average interest rate at June 17, 2011	11.9%	13.1%	12.7%
Range of stated interest rates at June 17, 2011	0.0% to 19.5%	5.2% to 19.5%	0.0% to 19.5%

Notes Receivable Reserves

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Balance at year-end 2010	$ 129	$ 89	$218
Balance at June 17, 2011	$ 122	$ 73	$195

The following table summarizes the activity related to our vacation ownership notes receivable reserve for the first half of 2011:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable Reserve	Securitized Vacation Ownership Notes Receivable Reserve	Total
Balance at year-end 2010	$ 129	$ 89	$218
Additions for current year vacation ownership product sales	14	—	14
Write-offs	(38)	—	(38)
Defaulted notes receivable repurchase activity[1]	22	(22)	—
Other[2]	(5)	6	1
Balance at June 17, 2011	$ 122	$ 73	$195

(1) Decrease in securitized reserve and increase in non-securitized reserve was attributable to the transfer of the reserve when we repurchased the notes receivable.
(2) Consists of static pool and default rate assumption changes.

For our combined notes receivable portfolio, we estimated average remaining default rates of 7.76 percent and 9.25 percent as of June 17, 2011 and year-end 2010, respectively.

We show our recorded investment in non-accrual notes receivable in the following table:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
Investment in notes receivable on non-accrual status at June 17, 2011	$ 103	$ 18	$121
Investment in notes receivable on non-accrual status at year-end 2010	$ 113	$ 15	$128
Average investment in notes receivable on non-accrual status during the first half of 2011	$ 108	$ 16	$124
Average investment in notes receivable on non-accrual status during the first half of 2010	$ 115	$ 11	$126

The following table shows the aging of the recorded investment in principal, before reserves, in Vacation ownership notes receivable as of June 17, 2011:

($ in millions)	Non-Securitized Vacation Ownership Notes Receivable	Securitized Vacation Ownership Notes Receivable	Total
31—90 days past due	$ 11	$ 22	$ 33
91—150 days past due	7	13	20
Greater than 150 days past due	96	5	101
Total past due	114	40	154
Current	283	946	1,229
Total vacation ownership notes receivable	$ 397	$ 986	$1,383

4. FINANCIAL INSTRUMENTS

The following table shows the carrying values and the fair values of financial assets and liabilities that qualify as financial instruments, determined in accordance with current guidance for disclosures on the fair value of financial instruments.

	At June 17, 2011		At December 31, 2010	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—securitized	$ 913	$1,083	$ 1,029	$ 1,219
Vacation ownership notes receivable—non-securitized	275	291	225	231
Related party notes receivable	20	20	20	20
Restricted cash	75	75	66	66
Total financial assets	$ 1,283	$1,469	$ 1,340	$ 1,536
Non-recourse debt associated with securitized notes receivable	$ (895)	$ (935)	$(1,017)	$(1,047)
Other debt	(3)	(3)	(5)	(5)
Other liabilities	(30)	(27)	(30)	(26)
Total financial liabilities	$ (928)	$ (965)	$(1,052)	$(1,078)

Vacation Ownership Notes Receivable

We estimate the fair value of our securitized notes receivable using a discounted cash flow model. We believe this is comparable to the model that an independent third party would use in the current market. Our model uses default rates, prepayment rates, coupon rates and loan terms for our securitized notes receivable portfolio as key drivers of risk and relative value, that when applied in combination with pricing parameters, determines the fair value of the underlying notes receivable.

We bifurcate our non-securitized notes receivable into two pools as follows:

	At June 17, 2011		At December 31, 2010	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Vacation ownership notes receivable—eligible for securitization	$ 92	$108	$ 47	$ 53
Vacation ownership notes receivable—not eligible for securitization	183	183	178	178
Total financial assets	$ 275	$291	$ 225	$ 231

We estimate the fair value of a portion of our non-securitized notes receivable that we believe will ultimately be securitized, in the same manner as securitized notes receivable. We value the remaining non-securitized notes receivable at their carrying value, rather than using our pricing model. We believe that the carrying value of such notes receivable approximates fair value because the stated interest rates of these loans are consistent with current market rates and the reserve for these notes receivable appropriately accounts for risks in default rates, prepayment rates and loan terms.

Other Notes Receivable

We estimate the fair value of our other notes receivable by discounting cash flows using risk-adjusted rates.

Non-Recourse Debt Associated with Securitized Notes Receivable

We internally generate cash flow estimates by modeling all bond tranches for our active notes receivable securitization transactions, with consideration for the collateral specific to each tranche. The key drivers in our analysis include default rates, prepayment rates, bond interest rates and other structural factors, which we use to estimate the projected cash flows. In order to estimate market credit spreads by rating, we reviewed market spreads from vacation ownership notes receivable securitizations and other asset-backed transactions that occurred in the market during the first half of 2011 and fiscal year 2010. We then applied those estimated market spreads to swap rates in order to estimate an underlying discount rate for calculating the fair value of the active bonds payable. We concluded that the fair value of the bonds exceeds the book value due to low current swap rates and credit spreads that are lower than our bond interest rates.

Other Liabilities

We estimate the fair value of our other liabilities, using expected future payments discounted at risk-adjusted rates. Other liabilities represent guarantee costs and reserves and deposit liabilities and other miscellaneous liabilities. The carrying values of our guarantee costs and reserves approximate their fair values. We estimate the fair value of our deposit liabilities primarily by discounting future payments at a risk-adjusted rate.

5. INVENTORY

The following table shows the composition of our inventory balances:

($ in millions)	At June 17, 2011	At December 31, 2010
Finished goods	$ 579	$ 652
Work-in-process	240	203
Land and infrastructure	524	551
Real estate inventory	1,343	1,406
Operating supplies and retail inventory	6	6
	$1,349	$ 1,412

See Footnote No. 14, “Subsequent Events,” to our interim combined financial statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

6. PROPERTY AND EQUIPMENT

We show the composition of our property and equipment balances in the following table:

($ in millions)	At June 17, 2011	At December 31, 2010
Land	$ 154	$ 148
Buildings and leasehold improvements	219	219
Furniture and equipment	271	261
Construction in progress	14	18
	658	646
Accumulated depreciation	(352)	(336)
	$ 306	$ 310

See Footnote No. 14, “Subsequent Event,” to our interim combined financial statements for more information about our plans for our excess undeveloped land parcels, excess built Luxury inventory, and the non-cash charge we expect to record in third quarter 2011 as a result of our plans.

7. CONTINGENCIES AND COMMITMENTS

Guarantees

We issue guarantees to certain lenders in connection with the provision of third-party financing for our sales of vacation ownership products for the Luxury and Asia Pacific segments. The terms of guarantees to lenders generally require us to fund if the purchaser fails to pay under the terms of its note payable and Marriott International has guaranteed our performance under these arrangements. We are entitled to recover any funding to third party lenders related to these guarantees through reacquisition and resale of the vacation ownership product. Our commitments under these guarantees expire as notes mature or are repaid. The term of the underlying notes extend to 2020.

The following table shows the maximum potential amount of future fundings for financing guarantees where we are the primary obligor and the carrying amount of the liability for expected future fundings.

($ in millions) *Segment*	Maximum Potential Amount of Future Fundings at June 17, 2011	Liability for Expected Future Fundings at June 17, 2011
Asia Pacific	$ 24	$ —
Luxury	3	1
Total guarantees where we are the primary obligor	$ 27	$ 1

We included our liability for expected future fundings of the financing guarantees at June 17, 2011 in our Balance Sheets in the Other caption within Liabilities.

In addition to the guarantees we describe in the preceding paragraphs, in conjunction with financing obtained for specific projects or properties owned by joint ventures in which we are a party, we may provide industry standard indemnifications to the lender for loss, liability or damage occurring as a result of the actions of the other joint venture owner or our own actions.

Refer to Footnote No. 10, “Variable Interest Entities,” for further discussion of our funding liability established in connection with an equity method investment.

Commitments and Letters of Credit

In addition to the guarantees we note in the preceding paragraphs, as of June 17, 2011, we had the following commitments outstanding:

- A commitment for $18 million (HK$141 million) to purchase vacation ownership units upon completion of construction for sale in our Marriott Vacation Club, Asia Pacific program. We have already made deposits of $11 million in conjunction with this commitment. We expect to pay the remaining $7 million upon acquisition of the units in the 2011 third quarter.
- $3 million (€2 million) of other purchase commitments that we expect to fund over the next three years, as follows: $1 million in each of 2012, 2013 and 2014.
- We have various contracts for the use of information technology hardware and software that we use in the normal course of business. Our commitments are $2 million in 2011 and $5 million in 2012.
- Commitments to subsidize vacation ownership associations for costs that otherwise would be covered by annual maintenance fees associated with vacation ownership interests or units that have not yet been built were $6 million which we expect will be paid in 2011.

Surety bonds guaranteed by Marriott International issued as of June 17, 2011 totaled $90 million, the majority of which were requested by federal, state or local governments related to our operations.

At June 17, 2011, we had $31 million of letters of credit outstanding under Marriott International credit facilities, the majority of which related to our Asia Pacific consumer financing guarantee.

Other

We estimate the cash outflow associated with completing all phases of our existing portfolio of vacation ownership projects currently under development will be approximately $214 million of which $14 million is included within liabilities on our Balance Sheet. This estimate is based on our current development plans, which remain subject to change, and we expect the phases currently under development will be completed by 2016.

8. DEBT

We provide detail on our debt balances in the following table:

($ in millions)	At June 17, 2011	At December 31, 2010
Non-recourse debt associated with securitized notes receivable, interest rates ranging from 0.27% to 7.20% (weighted average interest rate of 4.97%)	$ 895	$ 1,017
Other	3	5
	$ 898	$ 1,022

The non-recourse debt associated with securitized notes receivable was, and to the extent currently outstanding is, secured by the related notes receivable. All of our other debt was, and to the extent currently outstanding is, recourse to us but unsecured.

Each of our securitized notes receivable pools contain various triggers relating to the performance of the underlying notes receivable. If a pool of securitized notes receivable fails to perform within the pool's established parameters (default or delinquency thresholds vary by deal) transaction provisions effectively redirect the monthly excess spread we typically receive from that pool (related to the interests we retained), to accelerate the principal payments to investors based on the subordination of the different tranches until the performance trigger is cured. During the first quarter of 2011, one pool that reached a performance trigger at year-end 2010 returned to compliance while one other reached a performance trigger. At the end of the first quarter of 2011, this was the only pool that was not meeting performance thresholds. This pool returned to compliance during the second quarter of 2011. At the end of the second quarter of 2011, there were no pools out of compliance. As a result of performance triggers, a total of $2 million in cash of excess spread was used to pay down debt during the first half of 2011. At June 17, 2011, we had 13 securitized notes receivable pools outstanding.

We show future principal payments and unamortized discounts for our securitized and non-securitized debt in the following tables:

($ in millions)	Non-Recourse Debt	Other Debt	Total
2011	$ 70	$—	$ 70
2012	124	—	124
2013	129	—	129
2014	131	—	131
2015	125	—	125
Thereafter	316	3	319
Balance at June 17, 2011	$ 895	$ 3	$898

As the contractual terms of the underlying securitized notes receivable determine the maturities of the non-recourse debt associated with them, actual maturities may occur earlier due to prepayments by the notes receivable obligors.

We paid cash for interest, net of amounts capitalized, of $20 million in the first half of 2011 and $24 million in the first half of 2010.

9. SHARE-BASED COMPENSATION COSTS

Marriott International maintains the Marriott International Stock Plan for the benefit of its officers, directors and employees, including our employees. The following disclosures represent the portion of the Marriott International Stock Plan maintained by Marriott International in which our employees participated. All share-based awards granted under the Marriott International Stock Plan related to Marriott International Class A Common Stock ("Marriott International common stock"). As such, all related equity account balances are reflected in Marriott International's consolidated statements of stockholders' equity and have not been reflected in our Financial Statements. Accordingly, the amounts presented are not necessarily indicative of future performance and do not necessarily reflect the results that we would have experienced as an independent, publicly traded company for the periods presented.

Under the Marriott International Stock Plan, Marriott International awards to certain of our employees: (1) stock options to purchase Marriott International Stock; (2) stock appreciation rights ("SARs") for Marriott International common stock ("SAR Program"); and (3) restricted stock units ("RSUs") of Marriott International common stock. Marriott International granted these awards at exercise prices or strike prices that were equal to the market price to the market price of Marriott International common stock on the date of grant.

We recorded share-based compensation expense related to award grants to our employees of $4 million and $5 million for the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. Deferred compensation costs related to unvested awards held by our employees totaled $15 million and $12 million at June 17, 2011 and December 31, 2010, respectively.

RSUs

Marriott International granted 252,972 RSUs during the first half of 2011 to our employees, and those units vest generally over four years in equal annual installments commencing one year after the date of grant. RSUs granted in the first half of 2011 had a weighted average grant-date fair value of $40.

SARs

Marriott International granted 8,880 SARs during the first half of 2011 to our employees. These SARs expire 10 years after the date of grant and both vest and are exercisable in cumulative installments of one quarter at the end of each of the first four years following the date of grant. These SARs had a weighted average grant-date fair value of $16.

We use a binomial method to estimate the fair value of each SAR granted, under which we calculated the weighted average expected SARs terms as the product of a lattice-based binomial valuation model that uses suboptimal exercise factors. We use historical data to estimate exercise behaviors and terms to retirement for separate groups of retirement eligible and non-retirement eligible employees.

We used the following assumptions to determine the fair value of the employee SARs granted during the first half of 2011.

Expected volatility	32%
Dividend yield	0.73%
Risk-free rate	3.4%
Expected term (in years)	8

In making these assumptions, we based risk-free rates on the corresponding U.S. Treasury spot rates for the expected duration at the date of grant, which we converted to a continuously compounded rate. We based expected volatility on the weighted-average historical volatility, with periods with atypical stock movement given a lower weight to reflect stabilized long-term mean volatility.

10. VARIABLE INTEREST ENTITIES

In accordance with the applicable accounting guidance for the consolidation of variable interest entities, we analyze our variable interests, including loans, guarantees, and equity investments, to determine if an entity in which we have a variable interest is a variable interest entity. Our analysis includes both quantitative and qualitative reviews. We base our quantitative analysis on the forecasted cash flows of the entity, and our qualitative analysis on our review of the design of the entity, its organizational structure including decision-making ability, and relevant financial agreements. We also use our qualitative analyses to determine if we must consolidate a variable interest entity as its primary beneficiary.

Variable Interest Entities Related to Our Notes Receivable Securitizations

We periodically securitize, without recourse, through special purpose entities, notes receivable originated in connection with the sale of vacation ownership products. These securitizations provide funding for us and transfer the economic risks and substantially all the benefits of the loans to third parties. In a notes receivable securitization, various classes of debt securities that the special purpose entities issue are generally collateralized by a single tranche of transferred assets, which consist of vacation ownership notes receivable. We service the notes receivable. With each securitization, we may retain a portion of the securities, subordinated tranches, interest-only strips, subordinated interests in accrued interest and fees on the securitized receivables or, in some cases, overcollateralization and cash reserve accounts.

At June 17, 2011, consolidated assets on our Balance Sheet included collateral for the obligations of those variable interest entities that had a carrying amount of $979 million, comprised of $913 million of notes receivable (net of reserves), $5 million of interest receivable and $61 million of restricted cash. Further, at June 17, 2011, consolidated liabilities on our Balance Sheet included liabilities for those variable interest entities with a carrying amount of $900 million, comprised of $5 million of interest payable and $895 million of debt. The non-controlling interest balance for those entities was zero. The creditors of those entities do not have general recourse to us. As a result of our involvement with these entities, we recognized $62 million of interest income, offset by $24 million of interest expense during the first half of 2011.

We show our cash flows to and from the notes securitization variable interest entities in the following table:

	Twenty-four Weeks Ended	
($ in millions)	**June 17, 2011**	**June 18, 2010**
Cash inflows:		
Principal receipts	$ 110	$ 116
Interest receipts	64	69
Total	174	185
Cash outflows:		
Principal to investors	(100)	(105)
Repurchases	(22)	(29)
Interest to investors	(20)	(24)
Total	(142)	(158)
Net cash flow	$ 32	$ 27

Under the terms of our notes receivable securitizations, we have the right at our option to repurchase defaulted mortgage notes at the outstanding principal balance. The transaction documents typically limit such repurchases to 10 to 20 percent of the transaction's initial mortgage balance. We made voluntary repurchases of defaulted notes receivable of $22 million during the first half of 2011 and $29 million during the first half of

2010. Our maximum exposure to loss relating to the entities that own these notes receivable is the overcollateralization amount (the difference between the loan collateral balance and the balance on the outstanding notes receivable), plus cash reserves and any residual interest in future cash flows from collateral.

Other Variable Interest Entity

We have an equity investment in and a loan receivable due from a variable interest entity that develops and markets vacation ownership products in Hawaii. We concluded that the entity is a variable interest entity because the equity investment at risk is not sufficient to permit the entity to finance its activities without additional support from other parties. We have determined that we are not the primary beneficiary as power to direct the activities that most significantly impact economic performance of the entity is shared among the variable interest holders, and therefore we do not consolidate the entity. In 2009, we fully impaired our equity investment and certain loans receivable due from the entity. In 2010, the continued application of equity losses to our outstanding loan receivable balance reduced its carrying value to zero. Our equity in losses was $0 million and $7 million for the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. We may fund up to an additional $16 million and do not expect to recover this amount, which we have accrued and included in other liabilities. We do not have any remaining exposure to loss related to this entity.

11. RELATED PARTY TRANSACTIONS

Transactions with an Equity Method Investee

We provide marketing and sales, construction management, property management and accounting services to an equity method investee. Fees for such services are less than $1 million and $1 million in the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. Refer to Footnote No. 10, “Variable Interest Entities,” for further information pertaining to our investment.

Services Provided by Marriott International and General Corporate Overhead

Our Financial Statements include costs for services provided by Marriott International including, for the purposes of these financial statements but not limited to, information technology support, systems maintenance, telecommunications, accounts payable, payroll and benefits, human resources, self-insurance and other shared services. Historically, these costs were charged to us based on specific identification or on a basis determined by Marriott International to reflect reasonable allocation to us of the actual costs incurred to perform these services. Marriott International charged us approximately $14 million and $16 million during the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively, for such services.

Marriott International allocated indirect general and administrative costs to us for certain functions and services provided to us by Marriott International, including, but not limited to, executive office, legal, tax, finance, government and public relations, internal audit, treasury, investor relations, human resources and other administrative support primarily on the basis of our proportion of Marriott International’s overall revenue. Accordingly, we were allocated $7 million for each of the twenty-four weeks ended June 17, 2011 and June 18, 2010 of Marriott International’s indirect general and corporate overhead expenses, and have included these expenses in general and administrative expenses on our Statements of Operations.

Both we and Marriott International consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the periods presented in accordance with *Staff Accounting Bulletin Topic 1: Financial Statements.* We determined that our relative revenue was a reasonable reflection of Marriott International time dedicated to the oversight of our historical business. The allocations may not, however, reflect the expense we would have incurred as an independent, publicly traded company for the periods presented. Actual costs that might have been incurred had we been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions we might have performed ourselves or outsourced and strategic decisions we might have made in areas such as information technology and infrastructure. Following the spin-off, we will perform these functions using our own resources or purchased services from either Marriott International or third parties.

Cash Management

Marriott International did not allocate to us the cash and cash equivalents that Marriott International held at the corporate level for any of the periods presented. Cash and cash equivalents in our Balance Sheets primarily represent cash held by international entities at the local level. We reflect transfers of cash to and from Marriott International's domestic cash management system as a component of Net Parent Investment.

Historically, Marriott International has not charged us interest expense (and we have not earned interest revenue) on our net cash balance due to/from Marriott International, except for amounts capitalized in inventory and property and equipment.

Our weighted-average outstanding cash balance due to Marriott International was approximately $793 million and $1,031 million during the twenty-four weeks ended June 17, 2011 and June 18, 2010, respectively. We reflect the total net effect of the settlement of these intercompany transactions in our Cash Flows as a financing activity and in our Balance Sheets as Net Parent Investment.

The transactions to reconcile the Net Parent Investment, including our use of cash from Marriott International, and cash provided to Marriott International by us, are reflected in our Statements of Cash Flows. The change in the Net Parent Investment is the sum of our cash flows from operations, investing activities and financing activities, excluding the change in Net Parent Investment.

Refer to Cash Flows for more information.

Marriott Rewards Customer Loyalty Program

We historically participated in the Marriott Rewards customer loyalty program and offered points as incentives to vacation ownership purchasers and/or in connection with exchange or other activities. This program, which Marriott International maintained and administered, is a frequent customer loyalty program in which program members earn or receive points based on the monetary spending at Marriott International's lodging operations or as an incentive to purchase vacation ownership and residential products. Points cannot be redeemed for cash. We included approximately $42 million for the estimated cost of future redemptions of points that Marriott International issued on our behalf in our historical segment results during each of the twenty-four weeks ended June 17, 2011 and June 18, 2010.

Guarantees

Marriott International guarantees our performance under various contractual arrangements including responsibilities related to surety bonds, servicing securitized notes receivable and guarantees that we provide to third parties.

Fee Sharing

We share management fees received from vacation ownership associations for our Luxury segment developments with Marriott International, generally on a 50/50 basis. Our portion of the fees shared was $1 million during each of the twenty-four weeks ended June 17, 2011 and June 18, 2010, which we have presented in the Resort management and other services revenues caption of our Statements of Operations.

12. COMPREHENSIVE INCOME AND DIVISIONAL EQUITY

We detail comprehensive income in the following table:

($ in millions)	Twenty-four Weeks Ended June 17, 2011	Twenty-four Weeks Ended June 18, 2010
Net income	$ 35	$ 30
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	—	6
Total other comprehensive income, net of tax	—	6
Total comprehensive income	$ 35	$ 36

The following table details changes in divisional equity:

($ in millions)	Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Parent Company Equity
Balance at year-end 2010	$ 1,876	$ 28	$ 1,904
Net income	35	—	35
Currency translation adjustments	—	—	—
Other derivative instrument adjustments	—	—	—
Net transfers to Parent	(23)	—	(23)
Balance at June 17, 2011	$ 1,888	$ 28	$ 1,916

13. BUSINESS SEGMENTS

We operate our business in four segments:

- In our North America segment, we develop, market, sell and manage vacation ownership products under the Marriott Vacation Club and Grand Residences by Marriott brands in the United States and the Caribbean. We also develop, market, sell and manage resort residential real estate located within our vacation ownership developments under the Grand Residences by Marriott brand.
- In our Luxury segment, we develop, market, sell and manage luxury vacation ownership products under the Ritz-Carlton Destinations Club brand. We also sell whole ownership luxury residential real estate under the Ritz-Carlton Residences brand.
- In our Europe segment, we develop, market, sell and manage vacation ownership products in several locations in Europe.
- In our Asia Pacific segment, we operate Marriott Vacation Club, Asia Pacific, a points program we introduced in 2006 that we specifically designed to appeal to vacation preferences of the Asian market.

We evaluate the performance of our segments based primarily on the results of the segment without allocating corporate expenses, income taxes, or indirect general, administrative and other expenses. We do not allocate corporate interest expense to our segments. We include interest income specific to segment activities within the appropriate segment. We allocate other gains and losses, equity in earnings or losses from our joint ventures, general and administrative expenses, and income or losses attributable to noncontrolling interests to each of our segments. Corporate and other represents that portion of our revenues, general, administrative and other expenses, equity in earnings or losses, and other gains or losses that are not allocable to our segments.

Revenues

($ in millions)	Twenty-four Weeks Ended June 17, 2011	June 18, 2010
North America	$ 603	$ 594
Luxury	50	54
Europe	56	54
Asia Pacific	42	43
Total segment revenues	751	745
Corporate and other	—	—
	$ 751	$ 745

Net Income

($ in millions)	Twenty-four Weeks Ended June 17, 2011	June 18, 2010
North America	$ 138	$ 130
Luxury	(12)	(16)
Europe	4	4
Asia Pacific	—	6
Total segment financial results	130	124
Corporate and other	(69)	(76)
Provision for income taxes	(26)	(18)
	$ 35	$ 30

Assets

($ in millions)	At Period-End June 17, 2011	December 31, 2010
North America	$1,307	$ 1,355
Luxury	357	368
Europe	116	104
Asia Pacific	61	61
Total segment assets	1,841	1,888
Corporate and other	1,651	1,754
	$3,492	$ 3,642

14. SUBSEQUENT EVENTS

Impairment

In preparing our company to operate as an independent, publicly traded company following the spin-off of our common stock by Marriott International, our management assessed its plan for undeveloped land and built Luxury inventory, including unfinished units, and the current market conditions for such assets.

Given our strategies to match completed inventory with our sales pace and to pursue future "asset light" development opportunities, late in the third quarter of 2011, management approved a plan to accelerate cash flow through the monetization of certain excess undeveloped land and excess built Luxury inventory. If we are able to dispose of this excess land and built inventory, we will eliminate the associated carrying costs.

We identified certain excess undeveloped parcels of land in the United States, Mexico and the Bahamas that we will seek to sell over the course of the next eighteen to twenty-four months. We used recent comparable sales to estimate the current fair value of these land parcels. Management also intends to offer incentives to accelerate sales of excess built Luxury inventory over the next three years. We determined the fair value of our excess built inventory through an evaluation of the associated vacation ownership projects and cash flow projections that reflect current market conditions.

Because we expect that proceeds from our planned land sales and their estimated fair value will be less than their carrying values, and because the fair value of this built Luxury inventory is less than its current carrying value, we expect to record a pre-tax non-cash charge of approximately $324 million in our third quarter 2011 financial statements to write-down the value of these assets.

Borrowings

On September 28, 2011, we closed a $300 million Warehouse Credit Facility that allows for the securitization of vacation ownership notes receivable on a non-recourse basis, pursuant to the terms of the facility. The revolving period of the facility is one year. The notes receivable that we securitize under the facility will be similar in nature to the notes receivable we have securitized in the past. Borrowings under the facility will bear interest at a rate of LIBOR plus 1.25 percent and are limited at any point to the advance rate on the aggregate amount of eligible notes receivable at such time. The advance rate of receivables securitized using the facility vary based on the characteristics of the obligor on each securitized note receivable.

On October 5, 2011, we made the first draw on the Warehouse Credit Facility. The carrying amount of notes receivable securitized was $154 million. The advance rate was 81%, which resulted in gross proceeds of $125 million. Net proceeds were $122 million due to the funding of a reserve account in the amount of $1 million, cash transaction costs of $2 million and costs of less than $1 million associated with entering into a derivative transaction to cap the interest rate. Estimated additional transaction costs are $1 million. The securitized notes receivable included $16 million of notes receivable that we repurchased in the fourth quarter of 2011 from two consolidated special purpose entities that we initially used to securitize the notes receivable in 2003. Proceeds from the draw on the Warehouse Credit Facility were transferred to Marriott International in settlement of certain intercompany account balances.

ANNEX A

[LETTERHEAD OF DUFF & PHELPS, LLC]

Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817

October 25, 2011

Ladies and Gentlemen:

Marriott International, Inc. (the "Company") has engaged Duff & Phelps, LLC ("Duff & Phelps") to serve as an independent financial advisor to the Board of Directors (the "Board of Directors") of the Company (solely in its capacity as such) and to provide certain determinations (collectively, this "Opinion") in connection with a proposed transaction (the "Proposed Transaction"), as described below.

Description of the Proposed Transaction

The Proposed Transaction involves the spin-off by the Company of its timeshare operations and development business as a new independent publicly traded company, to be known as Marriott Vacations Worldwide Corporation ("MVWC"), by way of a special tax-free dividend to the Company's shareholders (the "Dividend").

Determinations

The Company has requested Duff & Phelps to determine whether:

1. The fair value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each of the Company and MVWC immediately after consummation of the Proposed Transaction, will exceed their respective total liabilities (including contingent liabilities);
2. The present fair saleable value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each the Company and MVWC immediately after consummation of the Proposed Transaction, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
3. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;
4. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, will not have unreasonably small capital for the businesses in which they are engaged, as managements of the Company and MVWC have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the Proposed Transaction;
5. The excess of the fair value of aggregate assets of the Company, immediately before consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the fair value of the Dividend plus the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law); and
6. The excess of the fair value of aggregate assets of the Company, immediately after consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law).

Scope of Analysis

In connection with this Opinion, Duff & Phelps has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. Such reviews, analyses and inquires included valuation methodologies that we believe, taken together with all of our reviews and analyses, provide a sufficient and reasonable basis for rendering the Opinion. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its Opinion included, but were not limited to, the items summarized below:

1. Reviewed the following documents:
    a. The Company's annual reports and audited financial statements on Form 10-K filed with the Securities and Exchange Commission ("SEC") for the years ended on or near December 31, 2009 and 2010 and the Company's unaudited interim financial statements for the period ended September 9, 2011 included in the Company's Form 10-Q filed with the SEC;
    b. MVWC's registration statement on Form 10 filed with the SEC on June 28, 2011, as amended September 9, 2011, September 30, 2011, October 14, 2011, October 19, 2011 and October 21, 2011 (collectively the "Form 10");
    c. Financial projections with respect to the Company and MVWC, each after giving effect to the Proposed Transaction, provided to us by management of the Company (the "Management Projections");
    d. A letter dated October 25, 2011 from the management of the Company which made certain representations as to historical financial statements, the Management Projections and the underlying assumptions, and a pro forma schedule of assets and liabilities (including identified contingent liabilities) for the Company and MVWC on a post-transaction basis;
    e. Documents related to the Proposed Transaction, including the: (i) Form of Separation and Distribution Agreement between the Company and MVWC, (ii) Form of License, Services and Development Agreement between the Company, MVWC and the other signatories thereto, (iii) Form of License, Services and Development Agreement between The Ritz-Carlton Hotel Company, L.L.C. and MVWC, (iv) Form of Non-Competition Agreement between the Company and MVWC, (v) Form of Marriott Rewards Affiliation Agreement between the Company, Marriott International, Inc., Marriott Rewards, LLC, MVWC, Marriott Ownership Resorts, Inc. and the other signatories thereto, (vi) Form of Tax Sharing and Indemnification Agreement between the Company and MVWC (each as filed with the SEC as an exhibit to MVWC's Form 10 and collectively, the "Transaction Agreements"); and
    f. Documents related to MVWC's new debt facilities, including the: (i) $200 million Credit Agreement, dated as of October 20, 2011, among MVWC, Marriott Ownership Resorts, Inc., and certain lenders and agents, and (ii) Amended and Restated Indenture and Servicing Agreement among Marriot Vacations Worldwide Owner Trust 2011-1, Marriott Ownership Resorts, Inc., and Wells Fargo Bank, National Association, dated as of September 1, 2011 (each as filed with the SEC as an exhibit to MVWC's Form 10, and collectively, the "Financing Agreements");
2. Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
3. Reviewed the historical trading price and trading volume of the Company's publicly traded securities and the publicly traded securities of certain other companies that Duff & Phelps deemed relevant;

4. Discussed the information referred to above and the background and other elements of the Proposed Transaction with the management of the Company;
5. Discussed with Company management its plans and intentions with respect to the management and operation of the business;
6. Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including a discounted cash flow analysis and an analysis of selected public companies that Duff & Phelps deemed relevant;
7. Performed certain cash flow analyses on the Management Projections and a sensitivity analysis using financial assumptions that Duff & Phelps believes, based on management's representations and with its consent, represent a reasonable downside scenario versus the Management Projections; and
8. Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

In rendering its Opinion, Duff & Phelps valued the aggregate assets of the Company, before consummation of the Proposed Transaction, and of each of the Company and MVWC, after consummation of, and giving effect to, the Proposed Transaction on a consolidated basis and as a going concern. As such, Duff & Phelps' estimates of value included the aggregate assets of the Company's business enterprise (total invested capital excluding cash and equivalents) represented by the total net working capital, tangible plant, property and equipment, and intangible assets of the business enterprise before consummation of, and giving effect to, the Proposed Transaction, and that of the Company and MVWC after consummation of, and giving effect to, the Proposed Transaction, each on a consolidated basis.

Assumptions, Qualifications and Limiting Conditions

In performing its analyses and rendering this Opinion with respect to the Proposed Transaction, Duff & Phelps, with the Company's consent:

1. Relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including Company management, and did not independently verify such information;
2. Relied upon the fact that the Board of Directors and the Company have been advised by counsel as to all legal matters with respect to the Proposed Transaction;
3. Assumed that the Management Projections furnished to Duff & Phelps were reasonably prepared and based upon the most reliable currently available information and good faith judgment of the person furnishing the same;
4. Assumed that the final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;
5. Assumed that there has been no material adverse change in the assets, financial condition, business, or prospects of the Company (after giving effect to the Proposed Transaction) since the date of the most recent financial statements and other publicly filed financial disclosures made available to Duff & Phelps;
6. Assumed that all of the conditions required to implement the Proposed Transaction will be satisfied and that the Proposed Transaction and any related financing transactions will be completed substantially in accordance with the applicable Transaction Agreements and Financing Agreements, without any material amendments thereto or any waivers of any material terms or conditions thereof;
7. Assumed that all governmental, regulatory or other consents and approvals necessary for the operation of the business following the consummation of the Proposed Transaction will be either obtained or remain valid, as the case may be;

8. Assumed the substantial continuity of current credit market conditions (as they pertain to the Company's ability to refinance its debt obligations at maturity); and
9. Assumed that all subsidiary guarantees are enforceable and principles of contribution, subrogation and other similar principles are applied.

To the extent that any of the foregoing assumptions or any of the facts on which this Opinion is based prove to be untrue in any material respect, this Opinion cannot and should not be relied upon. Furthermore, in Duff & Phelps' analysis and in connection with the preparation of this Opinion, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions, and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

Duff & Phelps has prepared this Opinion effective as of the date hereof. This Opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion that may come or be brought to the attention of Duff & Phelps after the date hereof.

Duff & Phelps did not conduct an independent appraisal or physical inspection of any specific assets or liabilities (contingent or otherwise). Duff & Phelps is not expressing any opinion as to the market price or value of the Company's or MVWC's common stock or other securities after the consummation of the Proposed Transaction. This Opinion should not be construed as a valuation opinion, credit rating, fairness opinion, an analysis of the Company's credit worthiness, as tax advice, or as accounting advice. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

This Opinion is furnished solely for the use and benefit of the Board of Directors in connection with its consideration of the Proposed Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without Duff & Phelps' express consent (which shall not be unreasonably withheld). This Opinion (i) does not address the merits of the underlying business decision to enter into the Proposed Transaction versus any alternative strategy or transaction, and (ii) does not address any transaction related to the Proposed Transaction, and (iii) is not a recommendation as to how the Board of Directors or any stockholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction. This letter should not be construed as creating any fiduciary duty on the part of Duff & Phelps to any party.

This Opinion is solely that of Duff & Phelps, and Duff & Phelps' liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter between Duff & Phelps and the Company dated May 13, 2011 (the "Engagement Letter"). The use and disclosure of this letter is strictly limited in accordance with the terms set forth in the Engagement Letter.

Disclosure of Prior Relationships

Duff & Phelps has acted as financial advisor to the Board of Directors and will receive a fee for its services. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this Opinion or whether or not the Proposed Transaction is successfully consummated. Pursuant to the terms of the Engagement Letter, a portion of Duff & Phelps' fee is payable upon Duff & Phelps' stating to the Board of Directors that it is prepared to deliver the Opinion. Other than this engagement, during the two years preceding the date of this Opinion, Duff & Phelps has not had any material relationship with any party to the Proposed Transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated

Conclusion

Based on all factors we regard as relevant and the foregoing assumptions and reliances, and subject to the qualifications and limiting conditions herein, it is our opinion that as of the date hereof:

1. The fair value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each of the Company and MVWC immediately after consummation of the Proposed Transaction, will exceed their respective total liabilities (including contingent liabilities);
2. The present fair saleable value of the aggregate assets of the Company immediately before consummation of the Proposed Transaction, and of each the Company and MVWC immediately after consummation of the Proposed Transaction, will be greater than their respective probable liabilities on their debts as such debts become absolute and matured;
3. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, should be able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature;
4. Each of the Company and MVWC, immediately after consummation of the Proposed Transaction, will not have unreasonably small capital for the businesses in which they are engaged, as managements of the Company and MVWC have indicated such businesses are now conducted and have indicated their businesses are proposed to be conducted following consummation of the Proposed Transaction;
5. The excess of the fair value of aggregate assets of the Company, immediately before consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the fair value of the Dividend plus the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law); and
6. The excess of the fair value of aggregate assets of the Company, immediately after consummation of the Proposed Transaction, over the total identified liabilities (including contingent liabilities) of the Company is equal to or exceeds the stated capital of the Company (as such capital is calculated pursuant to Section 154 of the Delaware General Corporation Law).

Certain terms used in the determinations above are defined in Appendix A to this letter and, for the purposes of this Opinion, shall only have the meanings set forth in Appendix A. Duff & Phelps makes no representations as to the legal sufficiency for any purpose of the definitions set forth in Appendix A. Such definitions are used solely for setting forth the scope of this Opinion.

This Opinion has been approved by the Opinion Review Committee of Duff & Phelps.

Respectfully submitted,

/s/ Duff & Phelps, LLC

Duff & Phelps, LLC

APPENDIX A

DEFINITIONS OF TERMS USED IN THIS LETTER

"Fair value" means the amount at which the aggregate assets would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, neither being under any compulsion to act, with equity to both.

"Present fair saleable value" means the amount that may be realized if the aggregate assets are sold in their entirety with reasonable promptness in an arms-length transaction under present conditions in a current market for the sale of assets of a comparable business enterprise.

"Debt" or "liabilities" means the obligation to perform a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

"Contingent liabilities" means the maximum estimated amount of any claims, demands or unmatured liabilities that may result from threatened or pending litigation, pension obligations, assessments, certain guaranties, uninsured risks, exposure from environmental conditions, unmatured contractual obligations, certain taxes, and other unmatured liabilities, of a specified entity and time, which were identified to and quantified for Duff & Phelps by responsible officers and employees of the Company and MVWC. Such contingent liabilities may not meet the criteria for accrual under the Financial Accounting Standards Board Accounting Standards Codification Contingencies – Loss Contingencies – Disclosure and therefore may not be recorded as liabilities under GAAP.

"Not have unreasonably small capital for the businesses in which they are engaged" means the Company and MVWC will not have unreasonably small capital for the needs and anticipated needs (including contingent liabilities) of their businesses in conducting their businesses as a going concern, as the managements of the Company and MVWC, respectively, have stated they are proposed to be conducted following the consummation of the Proposed Transaction.

"Able to pay their respective debts and other liabilities (including contingent liabilities and other commitments) as they mature" means each of the Company and MVWC will be able to generate enough cash from operations, asset dispositions, refinancing, or a combination thereof, to meet its obligations (including contingent liabilities) as they become due.

Exhibit 99.2

NEWS

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Marriott Vacations Worldwide Corporation Launches as a Separate Public Company
Begins Trading Today on the NYSE Under Ticker Symbol "VAC"

ORLANDO, Fla. – November 22, 2011 – Marriott Vacations Worldwide Corporation (NYSE: VAC), the leading global pure-play vacation ownership company, begins regular way trading today following its spin-off from Marriott International, Inc. (NYSE: MAR) with a one-for-10 distribution of Marriott Vacations Worldwide shares to Marriott International shareholders on November 21, 2011. Recognized as the industry leader, Marriott Vacations Worldwide has a global base of approximately 400,000 Owners and Members across three widely known and respected vacation ownership brands including Marriott Vacation Club, The Ritz-Carlton Destination Club and Grand Residences by Marriott.

"Marriott Vacations Worldwide is poised to deliver exceptional shareholder value as we become a separate, public company today," said Stephen P. Weisz, president and chief executive officer. "As an independent company with exclusive rights to the Marriott and Ritz-Carlton brands, we are well positioned to pursue new business opportunities that would not have been possible for us in the past, creating even greater future growth potential as we continue to deliver on our mission of providing unforgettable vacation experiences."

Since entering the industry in 1984, the company earned its position as a leader and innovator in vacation ownership products. The new company preserves high standards of excellence in serving its customers, investors and associates while maintaining a long-term relationship with Marriott International, Inc. Today the company offers a diverse portfolio of more than 60 resorts in some of the most highly sought after destinations in the world.

In 2010, Marriott Vacations Worldwide generated approximately $1.6 billion in revenue (including approximately $300 million in cost reimbursements) through vacation ownership sales, resort management, financing and rentals. The company's key attributes are diversified revenue streams, solid cash flow generation and strong liquidity position, making Marriott Vacations Worldwide an attractive value to its Owners, Members, customers and investors. As of November 21, 2011, Marriott Vacations Worldwide would have nearly 33.7 million basic shares outstanding.

# # #

About Marriott Vacations Worldwide Corporation

Marriott Vacations Worldwide Corporation is the leading global pure-play vacation ownership company. Since entering the industry in 1984, Marriott earned its position as a leader and innovator in vacation ownership products. In late 2011, Marriott Vacations Worldwide was established as a separate, public company focusing primarily on vacation ownership experiences. The new company preserves high standards of excellence in serving its customers, investors and associates while maintaining a long-term relationship with Marriott International, Inc. Marriott Vacations Worldwide offers a diverse portfolio of quality products, programs and management expertise with more than 60 resorts and approximately 400,000 Owners and Members. Its brands include: Marriott Vacation Club, Grand Residences by Marriott and The Ritz-Carlton Destination Club. For more information, please visit www.marriottvacationsworldwide.com.

Note on forward-looking statements: This press release contains “forward-looking statements” within the meaning of federal securities laws, including statements about the benefits resulting from the spin-off of Marriott Vacations Worldwide Corporation from Marriott International, Inc., and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including volatility in the economy and the credit markets, supply and demand changes for vacation ownership and residential products, competitive conditions, the availability of capital to finance growth, and other risk factors that Marriott Vacations Worldwide Corporation identifies in its Form 10 registration statement. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these forward-looking statements as of November 22, 2011. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.