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Thayer to Own Area's Largest Luxury Resort Property, to Include both Ritz-Carlton and JW Marriott Hotels

WASHINGTON, April 20 -- Marriott International, Inc. (NYSE: MAR) and Thayer Hotel Investors today announced an agreement for Thayer to own and Marriott to manage the new Grande Lakes Resort in Orlando, Florida, that will include a 1,000-room JW Marriott Hotel and a 584-room Ritz-Carlton hotel. The new resort, which Marriott will manage under a long-term agreement, also will offer an 18-hole golf course designed by Greg Norman and a 40,000-square-foot luxury spa.

The Grande Lakes Resort, which is expected to open in the third quarter of 2003, will be located on a 450-acre site with quick and convenient access to such world-class attractions as Walt Disney World, Sea World and Universal Studios. The resort also will be close to the Orange County, Florida, Convention & Civic Center and the Orlando International Airport.

"We are pleased to have such a solid partner on the project as Thayer, which will own this exciting, multi-faceted resort," said J.W. Marriott, Jr., chairman and chief executive officer of Marriott International. "We expect Grande Lakes to be one of North America's premier resort destinations."

Fred V. Malek, chairman of Thayer, noted, "Our relationship with Marriott International, the world's leading hospitality brand name and management company, will bring our respective strengths to this new resort: Thayer's real estate expertise and Marriott's unsurpassed reputation as a premier operator of hospitality properties."

Thayer will lead a group of investors making a \$65 million equity investment in the project, which will be developed for a cost of \$547 million. In addition to selling the underlying land to the Thayer venture for \$31 million, Marriott also will provide development services during the planned 2 1/2- year construction period.

The project will be capitalized with a \$300 million first mortgage loan from a consortium of 15 banks. Marriott has guaranteed completion of the project, anticipated in late 2003, and at that time expects to hold approximately \$120 million in mezzanine loans advanced to the project. Thayer has the right to sell 20 percent of the venture's equity to Marriott upon the opening of both hotels. Marriott has also provided the project with additional credit facilities for certain amounts due under the first mortgage loan and minimum returns to the equity investors in the early years of the project, but expects such support to be less than \$5 million.

Marriott International, Inc. (NYSE: MAR) is a leading worldwide hospitality company with over 2,300 operating units in the United States and 59 other countries and territories. Marriott Lodging operates and franchises hotels under the Marriott, JW Marriott, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott, Ritz-Carlton and Horizons brands; operates Marriott Executive Apartments; provides furnished corporate housing through its ExecuStay by Marriott division; and operates conference centers. Other Marriott businesses include senior living communities and services, wholesale food distribution and The Ritz-Carlton Hotel Company, L.L.C. The company is headquartered in Washington, D.C., and has approximately 154,000 employees. In fiscal year 2000, Marriott International reported systemwide sales of \$19.8 billion. For more information or reservations, please visit our web site at <http://www.marriott.com> .

Thayer Hotel Investors and related entities, based in Annapolis, Maryland, is a privately held real estate investment company with total assets of nearly \$2 billion and a portfolio of 21 hotels. Thayer invests in quality hotel properties for its portfolios, seeking to enhance the cash flow and value of such assets through repositioning, renovation and capital investment, rebranding and management improvements of the properties. Its nationwide portfolio includes hotels operating under the Marriott, Ritz-Carlton, Courtyard, Residence Inn, Fairfield Inn and other well-known brand names.

Note: This press release contains "forward-looking statements" within the meaning of federal securities law, including statements concerning business strategies and their intended results and similar statements concerning anticipated future events and expectations that are not historical facts. The forward-looking statements in this press release are subject to numerous risks and uncertainties, including the effects of economic conditions, supply and demand changes for hotel rooms, competitive conditions in the lodging industry, relationships with clients and property owners, the impact of government regulations, and the availability of capital to finance growth, which could cause actual results to differ materially from those expressed in or implied by the statements herein.

Source: Marriott International, Inc.

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