
**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 INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13881
(Commission
File Number)

52-2055918
(IRS Employer
Identification No.)

10400 Fernwood Road, Bethesda, Maryland
(Address of principal executive offices)

20817
(Zip Code)

Registrant's telephone number, including area code: (301) 380-3000

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))
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ITEM 1.01. Entry into a Material Definitive Agreement.

On November 21, 2011 (the “Dividend Payment Date”), Marriott International, Inc. (“Marriott” and together with its subsidiaries “we,” “us” or the “Company”) completed a spin-off (the “Spin-off”) of our timeshare operations and timeshare development business through a special tax-free dividend to our shareholders of all of the issued and outstanding common stock of our wholly owned subsidiary Marriott Vacations Worldwide Corporation (“MVW”). MVW will focus on the timeshare business and, under license agreements with us, will be both the exclusive developer and operator of timeshare, fractional, and related products under the Marriott brand and the exclusive developer of fractional and related products under The Ritz-Carlton brand. MVW 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.

MVW is now an independent company whose common shares are listed on the New York Stock Exchange under the symbol “VAC”. On the Dividend Payment Date, Marriott shareholders of record as of the close of business on November 10, 2011 received one share of MVW common stock for every ten shares of Marriott common stock. Fractional shares of MVW common stock to which Marriott 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.

As of the Dividend Payment Date, Marriott does not beneficially own any shares of MVW common stock and will not consolidate MVW’s financial results for periods after the Dividend Payment Date as part of its financial reporting. However, because of Marriott’s significant continuing involvement in MVW future operations (by virtue of the license and other agreements between Marriott and MVW), MVW’s historical financial results for periods prior to the Dividend Payment Date will continue to be included in Marriott’s historical financial results as a component of continuing operations.

In connection with the Spin-off, we entered into several agreements with MVW, and, in some cases, certain of its subsidiaries, that will govern our post-Spin-off relationship with MVW, including a Separation and Distribution Agreement, two License Agreements for the use of Marriott and Ritz-Carlton marks and intellectual property, an Employee Benefits and Other Employment Matters Allocation Agreement, a Tax Sharing and Indemnification Agreement, a Marriott Rewards Affiliation Agreement, and a Non-Competition Agreement. The following summary of those agreements 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 entered into a Separation and Distribution Agreement with MVW, Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MSCI Asia Pacific Pte. Ltd. and MVCO Series LLC, which sets forth the principal actions taken in connection with the Spin-off, including the internal reorganization. It also sets forth other agreements that govern certain aspects of our continued relationship with MVW following the Spin-off.

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

On November 17, 2011, we and Marriott Worldwide Corporation entered into a License, Services and Development Agreement with MVW, and The Ritz-Carlton Hotel Company, L.L.C. and MVW entered into a License, Services and Development Agreement (together the “License Agreements”). These License Agreements grant MVW the exclusive right, for their respective terms, to use certain Marriott and Ritz-Carlton marks and intellectual property in MVW’s timeshare and fractional ownership interests business, the exclusive right to use the Grand Residences by Marriott marks and intellectual property in MVW’s residential real estate business and the non-exclusive right to use certain Ritz-Carlton marks and intellectual property in MVW’s 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 MVW, which sets forth our agreement with MVW on the allocation of employees and obligations and responsibilities for compensation, benefits and labor matters.

Tax Sharing and Indemnification Agreement

On November 17, 2011, we entered into a Tax Sharing and Indemnification Agreement with MVW, which describes the methodology for allocating between MVW 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 the Spin-off fails to qualify for the tax treatment stated in the ruling we received from the U.S. Internal Revenue Service, taxes imposed on us or that we incur related to the distribution will be allocated between MVW 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 Marriott Rewards, LLC entered into a Marriott Rewards Affiliation Agreement with MVW and Marriott Ownership Resorts, Inc., which provides MVW and its subsidiaries with the ability to continue their 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 MVW, which generally prohibits us and our subsidiaries from engaging in the timeshare and fractional ownership interest and residential real estate businesses and prohibits MVW and its subsidiaries from engaging in the hotel business.

You can find more extensive summaries of each of the foregoing agreements in the Information Statement that MVW filed with the SEC on October 25, 2011 as Exhibit 99.1 to MVW's Registration Statement on Form 10 (File No. 001-35219), in the section entitled "Certain Relationships and Related Party Transactions" under the following subsections, each of which we incorporate herein by reference: "—Separation and Distribution Agreement," "—License Agreements for Marriott and Ritz-Carlton Marks and Intellectual Property," "—Employee Benefits and Other Employment Matters Allocation Agreement," "—Tax Sharing and Indemnification Agreement," "—Marriott Rewards Affiliation Agreement," and "—Non-Competition Agreement." In those summaries MVW generally uses the increasingly common term "vacation ownership" in place of the term "timeshare." We continue to use "timeshare" in this report to be consistent with our prior filings. In addition, in the summary of the Employee Benefits and Other Employment Matters Allocation Agreement, the adjustments of outstanding stock options and stock appreciation rights should refer to the relative value of (1) as applicable, Marriott common stock, ex dividend or MVW common stock, when issued, at the close of trading on November 21, 2011, to (2) Marriott common stock with due bills at the close of trading on November 18, 2011.

ITEM 2.01. Completion of Acquisition or Disposition of Assets.

On November 21, 2011, we completed the Spin-off of our timeshare operations and timeshare development business through a special tax-free dividend to our shareholders of all of the issued and outstanding common stock of our wholly owned subsidiary MVW. We incorporate the information included in Item 1.01 of this Current Report by reference in this Item 2.01.

ITEM 9.01. Financial Statements and Exhibits.

(b) Marriott International, Inc. Unaudited Pro Forma Condensed Consolidated Financial Information

We are filing our unaudited pro forma condensed consolidated statements of operations for the thirty-six weeks ended September 9, 2011 and for the fiscal year ended December 31, 2010, our unaudited pro forma condensed consolidated balance sheet as of September 9, 2011 and our supplemental unaudited pro forma condensed consolidated statements of operations for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011 as Exhibit 99.2 to this Current Report.

(d) Exhibits. We are filing the following exhibits with this report:

- Exhibit 2.1 - Separation and Distribution Agreement entered into on November 17, 2011, among Marriott, MVW, Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MSCI Asia Pacific Pte. Ltd. and MVCO Series LLC.
- Exhibit 10.1 - License, Services and Development Agreement entered into on November 17, 2011, among Marriott, Marriott Worldwide Corporation, MVW 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., MVW and the other signatories thereto.
- Exhibit 10.3 - Employee Benefits and Other Employment Matters Allocation Agreement entered into on November 17, 2011, between Marriott and MVW.
- Exhibit 10.4 - Tax Sharing and Indemnification Agreement entered into on November 17, 2011, between Marriott and MVW.
- Exhibit 10.5 - Marriott Rewards Affiliation Agreement entered into on November 17, 2011, among Marriott, Marriott Rewards, LLC, MVW, Marriott Ownership Resorts, Inc. and the other signatories thereto.
- Exhibit 10.6 - Non-Competition Agreement entered into on November 17, 2011, between Marriott and MVW.
- Exhibit 99.1 - Press release issued on November 21, 2011, announcing the completion of the Spin-off.
- Exhibit 99.2 - Marriott Unaudited Pro Forma Condensed Consolidated Financial Information.

SIGNATURE

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 INTERNATIONAL, INC.

Date: November 21, 2011

By: /s/ Carl T. Berquist

Carl T. Berquist

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 2.1 | Separation and Distribution Agreement entered into on November 17, 2011, among Marriott International, Inc. (“Marriott”), Marriott Vacations Worldwide Corporation (“MVW”), Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, MVCI Asia Pacific Pte. Ltd. and MVCO Series LLC. |
| 10.1 | License, Services and Development Agreement entered into on November 17, 2011, among Marriott, Marriott Worldwide Corporation, MVW and the other signatories thereto. |
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| 99.1 | Press release issued on November 21, 2011, announcing the completion of the Spin-off. |
| 99.2 | Marriott Unaudited Pro Forma Condensed Consolidated Financial Information. |

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 Indemnatee 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 "Indemnatee") will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnatee in reduction of the related Liability. If an Indemnatee 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 Indemnatee 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

[Signature Page to Separation and Distribution Agreement]

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:
 - o Euro Disney ticket purchase obligations
 - o Kapalua, Hawaii “bad boy” guarantee
 - o Kapalua, Hawaii completion guarantee
 - o Kapalua, Hawaii guarantee of loans associated with fractional interests
 - o Shadow Ridge, California resort procurement services obligations
 - o Vail, Colorado lease of commercial unit in Bridge Street Building
 - o Newport Beach, California office space lease from The Irvine Co.
 - o 2010 and earlier timeshare note securitizations
 - o 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:

| <u>Agreement</u> | <u>Parties</u> | <u>Date</u> | <u>Recording Date</u> |
|-------------------------------------|--|-------------|-----------------------|
| 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

| <u>Subsidiary</u> | <u>Jurisdiction of Organization</u> |
|---|--|
| 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 |

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 programmatic 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 days 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,

Licensors, 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 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 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 "®," "™," "SM" 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.com, 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 to 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;

(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 is 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 is 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 to 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.

“Licenser 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

| <u>Approved Name of Project</u> | <u>Address of Project</u> | <u>Project Operator</u> | <u>Destination Club and/or Residential</u> |
|---|---|--|--|
| 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 |

| <u>Approved Name of Project</u> | <u>Address of Project</u> | <u>Project Operator</u> | <u>Destination Club and/or Residential</u> |
|--|--|--|--|
| 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 |

| <u>Approved Name of Project</u> | <u>Address of Project</u> | <u>Project Operator</u> | <u>Destination Club and/or Residential</u> |
|--|---|--|--|
| 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 | - MSCI Management (Europe), Limited - Marriott Hotels (Thailand), Limited | Destination Club |
| Marriott's Playa Andaluza | Ctra. de Cadiz, km 168 Estepona, 29680 Spain | MSCI 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 | MSCI 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 | MSCI Asia Pacific PTE. Limited | Destination Club |
| Marriott Vacation Club at The Buckingham | 22652 Rua de Nam Keng Taipa, Macau SAR | MSCI Asia Pacific PTE Limited or Affiliate | Destination Club |
| Marriott's Village d'Ile-de-France | Allee de l'Orme Rond Bailly- Romainvilliers, 77700 France | MSCI 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 | <ul style="list-style-type: none">• Beachfront lots (10.1 Acres)• Ironshore lots (5.6 Acres)<ul style="list-style-type: none">• 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 |

Fairway Villas, NJ Seaview Parcels(Original MVCI Parcels)

Residential

- 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)

Timeshare

- 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

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), FL Parcel 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

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

Undeveloped Parcel

Singer Island, FL

(2.9 Acres)

Playa Andaluza, Spain

Future Phase Parcels

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 | <ul style="list-style-type: none">• Undeveloped Timeshare Parcel (20 Acres)• MVCI Plan = 348 Units• Undeveloped Hotel Parcel (10 Acres)• MVCI Plan = 380 rooms |

Project / Asset
Kauai Lagoons, HI

Inv To be Sold

- **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**

Undeveloped Parcel
(2.9 Acres)

Mirasol
Singer Island, FL

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:

MARRIOTT INTERNATIONAL, INC.,
a Delaware corporation

By: _____ (SEAL)
Name:
Title:

ATTEST:

Assistant Secretary

MARRIOTT WORLDWIDE CORPORATION,
a Maryland corporation

By: _____ (SEAL)
Name:
Title:

ATTEST:

Assistant Secretary

OWNER:

_____,
a _____]

By: _____ (SEAL)
Name:
Title:

ATTEST/WITNESS:

(Assistant) Secretary/Witness

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.

(SEAL)

_____, Notary Public
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.

(SEAL)

_____, Notary Public
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.

(SEAL)

_____, Notary Public
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 Acknowledgment. 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

Exhibit D

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 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
Property and Built Unit Counts
For Quarter X, 20XX from X/XX/20XX to X/X/20XX

| | <u>Beginning of Quarter</u> | <u>Changes</u> | <u>End of Quarter</u> |
|-----------------------------|-----------------------------|----------------|-----------------------|
| Property Count | | | |
| North America | | | |
| Asia Pacific | | | |
| Europe | | | |
| Total Property Count | <u>—</u> | <u>—</u> | <u>—</u> |
| Built Units | | | |
| North America | | | |
| Asia Pacific | | | |
| Europe | | | |
| Total Built Units | <u>—</u> | <u>—</u> | <u>—</u> |

Marriott Vacations Worldwide
Royalty fees due to MI based on period results
For Period X, 20XX from X/XX/20XX to X/X/20XX

| | <u>NATO</u> | <u>Luxury</u> | <u>Europe</u> | <u>Asia Pacific</u> | <u>Total MVW</u> | <u>Comments</u> |
|---|-------------|---------------|---------------|---------------------|------------------|-----------------|
| 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 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 |
| | | | | Closings (3.1.A.ii.a) | — | |
| C Validation of post-spin closing by royalty category | | | | 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

| | <u>NATO</u> | <u>Luxury</u> | <u>Europe</u> | <u>AsiaPacific</u> | <u>Total MVW</u> | <u>Comments</u> |
|---|-------------|---------------|---------------|--------------------|------------------|-----------------|
| 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 | — | — | — | — | — | |

3.1.B.iii.b — Resale Closings in Residential Units

NATO Distribution 1

| | | | | |
|----------|----------|----------|----------|----------|
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |

3.1.B.iii.b — Resale Closings in Residential Units

6 of 7

Exhibit D - Page 6

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 Royalty 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 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 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

Licensors 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, Licensors may visit the Site to observe the construction of the Project and Project Related Areas at such intervals as Licensors deem reasonably necessary.

** Indicates mandatory visit to the Project by the appropriate Licensors representative to participate in activities associated with milestone.

Exhibit A to Exhibit G - Solo Page

**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

| <u>Review Categories</u> | <u>Review Fees</u> |
|--|--------------------|
| <u>New Projects and Conversions of Existing Projects</u> | \$ 80,000 |
| <u>Refurbishment/Renovation of Existing Projects</u> | |
| 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 C to Exhibit G - Solo Page

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

| <u>Project Name</u> | <u>Place</u> |
|---------------------|--------------|
| None | |

Existing Projects for which Licensee has notified Licensor of Licensee's intention to engage in transient rentals

| <u>Project Name</u> | <u>Place</u> |
|---|----------------------------|
| Marriott Vacation Club at Empire Place | <i>(Bangkok, Thailand)</i> |
| Marriott Vacation Club at The Buckingham <i>(opening planned for mid-2012)</i> | <i>(Macau)</i> |

EXHIBIT I
EXISTING GOLF FACILITIES

| <u>Facility Name</u> | <u>Place</u> |
|--------------------------------------|----------------------------------|
| Marriott's Grande Pines Golf Club | <i>(Orlando, Florida)</i> |
| Marriott's Grande Vista Golf Club | <i>(Orlando, Florida)</i> |
| Marriott's Kauai Lagoons Golf Club | <i>(Lihue, Hawaii)</i> |
| Marriott's Shadow Ridge Golf Club | <i>(Palm Desert, California)</i> |
| Marriott's Son Antem Golf Club | <i>(Mallorca, Spain)</i> |
| | |
| The Faldo Golf Institute by Marriott | <i>(Orlando, Florida)</i> |
| The Faldo Golf Institute by Marriott | <i>(Palm Desert, California)</i> |

Exhibit I - Solo Page

EXHIBIT J
PERMITTED LICENSEE AFFILIATE NAMES

| <u>Affiliate</u> | <u>Jurisdiction of Organization</u> |
|--|-------------------------------------|
| <u>United States Affiliates</u> | |
| Marriott Kauai Ownership Resorts Inc. Also does business under the name Marriott Vacation Club International | Delaware |
| Marriott Overseas Owners Services Corporation | Delaware |
| Marriott Ownership Resorts Inc. 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 | Delaware |
| Marriott Ownership Resorts Procurement, LLC | Delaware |
| Marriott Resorts Hospitality Corporation 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 | South Carolina |
| Marriott Resorts Sales Company, Inc. Also does business under the name Marriott Vacation Club International | Delaware |
| Marriott Resorts Title Company Inc. Also does business under the name Marriott Resorts Title, Inc. | Florida |
| Marriott Resorts, Travel Company Inc. Also does business under the name Marriott Vacation Club International | Delaware |
| 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 |
| <u>Non-United States Affiliates</u> | |
| 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.

| <u>Full Name</u> | <u>Home and Business Street Addresses, Phone Numbers, & Email Address</u> | <u>Description of Interest</u> |
|------------------|---|--------------------------------|
|------------------|---|--------------------------------|

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

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EXHIBIT K – NEW PROJECT APPLICATION

EXHIBIT L – PURCHASER DISCLOSURE STATEMENT

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 programmatic 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 be 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 Management 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 "®," "TM," "SM" 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 mvcprivacy@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 is 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 is 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

| <u>Approved Name of Project</u> | <u>Address of Project</u> | <u>Project Operator</u> | <u>Destination Club and/or Residential</u> |
|--|--|---|--|
| 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 | <ul style="list-style-type: none">• Beachfront lots (10.1 Acres)• Ironshore lots (5.6 Acres)<ul style="list-style-type: none">• Golf lots (26.0 Acres)• Inland lots (9.6 Acres)• Marles facing land (58.2 Acres) |
| Grand Bahama, Bahamas | <ul style="list-style-type: none">• Undeveloped Timeshare Parcel (20 Acres)<ul style="list-style-type: none">• MVCI Plan = 348 Units • Undeveloped Hotel Parcel (10 Acres)<ul style="list-style-type: none">• MVCI Plan = 380 rooms |

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

- Lots:**
- **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 Acknowledgment. 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

Exhibit D

Marriott Vacations Worldwide
Royalty fees due to RC based on period results
For Period X, 20XX from X/XX/20XX to X/XX/20XX

| | <u>Total Closings</u> | <u>Prespin Closings</u> | <u>Postspin Closings</u> | <u>Commission Earned</u> | <u>Royalty Rate</u> | <u>Amount Due to RC</u> | <u>Comments</u> |
|---|---------------------------|-----------------------------|------------------------------|------------------------------|-------------------------|-----------------------------|-----------------|
| 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

| | <u>Total Closings</u> | <u>Prespin Closings</u> | <u>Postspin Closings</u> | <u>Commission Earned</u> | <u>Royalty Rate</u> | <u>Amount Due to RC</u> | <u>Comments</u> |
|---|-----------------------|-------------------------|--------------------------|--------------------------|---------------------|-------------------------|-----------------|
| 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

| | <u>Beginning of Quarter</u> | <u>Changes</u> | <u>End of Quarter</u> |
|-----------------------------|-----------------------------|----------------|-----------------------|
| Property Count | | | |
| Luxury | | | |
| Total Property Count | <u>—</u> | <u>—</u> | <u>—</u> |
| Built Units | | | |
| Luxury | | | |
| Total Built Units | <u>—</u> | <u>—</u> | <u>—</u> |

3 of 7

Exhibit D - Page 3

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 | Totat 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 1% of MVW commission earned | — | — | — | — | — | |
| Total Royalty 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

| YTD true up | <u>NATO</u> | <u>Luxury</u> | <u>Europe</u> | <u>Asia Pacific</u> | <u>Total MVW</u> | <u>Comments</u> |
|--|-------------|---------------|---------------|---------------------|--|---------------------|
| | — | — | — | — | — | 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 (3.1.B.ii.b) | — |
| | | | | | Closings (3.1.B.iii.a) | — |
| | | | | | Closings (3.1.B.iii.b) | — |
| | | | | | Total | — |
| | | | | | Check | Ties to Reference B |

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**

Licensors 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, Licensors may visit the Site to observe the construction of the Project and Project Related Areas at such intervals as Licensors deems reasonably necessary.

** Indicates mandatory visit to the Project by the appropriate Licensors 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

| <u>Review Categories</u> | <u>Review Fees</u> |
|--|--------------------|
| 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 C to Exhibit G- Solo Page

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

The Ritz-Carlton Club, Bachelor Gulch
The Ritz-Carlton Club, Jupiter
The Ritz-Carlton Club, Kapaula Bay

Place

(Bachelor Gulch, Colorado)
(Jupiter, Florida)
(Maui, Hawaii)

Existing Projects for which Licensee has notified Licensor of Licensee's intention to engage in transient rentals

Project Name

The Ritz-Carlton Club, Aspen Highlands
The Ritz-Carlton Club, Lake Tahoe
The Ritz-Carlton Residences at Kauai Lagoons
The Ritz-Carlton Club, San Francisco

Place

(Aspen, Colorado)
(Lake Tahoe, California)
(Kauai, Hawaii)
(San Francisco, California)

EXHIBIT I
EXISTING GOLF FACILITIES

Facility Name
The Abaco Club on Winding Bay
The Ritz-Carlton Golf Club & Spa

Place
(Abaco, Bahamas)
(Jupiter, Florida)

Exhibit I - Solo Page

EXHIBIT J
PERMITTED LICENSEE AFFILIATE NAMES

| <u>United States Affiliates</u> | <u>Affiliate</u> | <u>Jurisdiction of Organization</u> |
|--|--|--|
| RBF, LLC | | Delaware |
| | Also does business under the name The Ritz-Carlton Golf Club & Spa, Jupiter | |
| 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 |
| <u>Non-United States Affiliates</u> | | |
| 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 _____
(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.

| <u>Full Name</u> | <u>Home and Business Street Addresses, Phone Numbers, & Email Address</u> | <u>Description of Interest</u> |
|------------------|---|--------------------------------|
|------------------|---|--------------------------------|

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.

EMPLOYEE BENEFITS AND OTHER EMPLOYMENT
MATTERS ALLOCATION AGREEMENT

by and between

MARRIOTT INTERNATIONAL, INC.

and

MARRIOTT VACATIONS WORLDWIDE CORPORATION

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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 Terinee 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

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").

WITNESSETH

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 its 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 its 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

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, Provided, 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, MCVI Asia Pacific Pte. Ltd., a Singapore private limited company, and MVCO Series LLC, a Delaware limited liability company, (each of Marriott Resorts Hospitality Corporation, MCVI 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]

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

- For Exchange/Sales Uses

RATE

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

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
- Qualifying Stays

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").

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

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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.

Capitalized 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:

| <u>Definition</u> | <u>Location</u> |
|--------------------------------|-----------------|
| 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.

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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]



Contact: Tom Marder
(301) 380-2553
thomas.marder@marriott.com

MARRIOTT INTERNATIONAL FOCUSES ON LODGING MANAGEMENT AND FRANCHISING, COMPLETING SPIN-OFF OF VACATION OWNERSHIP BUSINESS

BETHESDA, Md., November 21, 2011 – Since its founding nearly 85 years ago, never has Marriott International, Inc. (NYSE: MAR) been as fully focused on its core lodging management and franchise business as today, concluding the spin-off of its timeshare business. To complete the spin-off, equity shares of the new company, Marriott Vacations Worldwide Corporation (NYSE: VAC), are being distributed tax-free to Marriott International shareholders.

Marriott International also expects to file a Form 8-K report with the U.S. Securities and Exchange Commission later today containing unaudited pro forma condensed consolidated statements of income, as well as an unaudited pro forma condensed consolidated balance sheet for Marriott International reflecting the impact of the spin-off.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said, “Today is a milestone. We are tremendously grateful for the business our colleagues built in the vacation ownership industry, and with the spin-off, we know that our timeshare brands being operated by Marriott Vacations Worldwide will be in the best hands with a company whose culture was ‘built by Marriott’. We congratulate the Marriott Vacations Worldwide team on the successful launch of this exciting new company and wish them all the best.

“This is also a very special day for Marriott International. More than ever, we are focused on an ‘asset light’ strategy, with 99 percent of our properties operated under long term management or franchise agreements. We expect to continue to grow our system around the world with the leading brands in the industry.

“Throughout Marriott International’s nearly 3,700 properties in more than 70 countries, approximately 300,000 people will continue serving guests every day across our 18 brands. From our signature Marriott Hotels & Resorts and reinvented Courtyard by Marriott, to our unsurpassed Ritz-Carlton and rapidly emerging Autograph Collection and AC by Marriott, the company’s momentum is growing. More than ever, Marriott International is on the move, leveraging our global size and scale while delivering hospitality that is in every way local and personal.”

Arne Sorenson, Marriott International’s president and chief operating officer, said, “In many ways today we are a new company, one with the tremendous advantage of a decades-long legacy and culture that continue to be the touchstone of our success.

“With the spin-off, the strengths of our core lodging management and franchise business will become more focused and evident. Our adjusted pretax margin should increase and we expect return on invested capital to improve dramatically. Pro forma adjustments associated with the spin-off to the unaudited third quarter 2011 balance sheet reflect a \$2.5 billion reduction in total assets and a \$1.2 billion decline in debt and other liabilities. Looking ahead, while Marriott

International will continue to benefit from the expected growth in its timeshare business through a royalty fee, the company will focus on growing the industry's best lodging brand portfolio, expanding on a global scale and opening doors to a world of opportunity."

For more information or reservations, please visit our web site at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com.

Note on forward-looking statements: This press release contains "forward-looking statements" within the meaning of federal securities laws, including expectations about continued system growth, increases in adjusted pretax margin, and improved return on invested capital, 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 changes in market conditions; and other risk factors that we identify in our most recent quarterly report on Form 10-Q. 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 21, 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.

IRPR#1

MARRIOTT INTERNATIONAL, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Marriott Vacations Worldwide Corporation Spin-off

On November 21, 2011 (the "Dividend Payment Date"), Marriott International, Inc. ("Marriott" and together with its subsidiaries "we," "us" or the "Company") completed a spin-off (the "Spin-off") of our timeshare operations and timeshare development business through a special tax-free dividend to our shareholders of all of the issued and outstanding common stock of our wholly owned subsidiary Marriott Vacations Worldwide Corporation ("MVW"). MVW will focus on the timeshare business and, under license agreements with us, will be both the exclusive developer and operator of timeshare, fractional, and related products under the Marriott brand and the exclusive developer of fractional and related products under The Ritz-Carlton brand. MVW filed a Registration Statement on Form 10 with the Securities and Exchange Commission describing the Spin-off that was declared effective on October 27, 2011.

Prior to the completion of the Spin-off, Marriott and MVW entered into a Separation and Distribution Agreement and several other agreements that will govern their post-Spin-off relationship.

MVW is now an independent company whose common shares are listed on the New York Stock Exchange under the symbol "VAC". On the Dividend Payment Date, Marriott shareholders of record as of the close of business on November 10, 2011 received one share of MVW common stock for every ten shares of Marriott common stock. Fractional shares of MVW common stock to which Marriott 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.

As of the Dividend Payment Date, Marriott does not beneficially own any shares of MVW common stock and will not consolidate MVW's financial results for periods after the Dividend Payment Date as part of its financial reporting. However, because of Marriott's significant continuing involvement in MVW's future operations (by virtue of the license and other agreements between Marriott and MVW), MVW's historical financial results for periods prior to the Dividend Payment Date will continue to be included in Marriott's historical financial results as a component of continuing operations.

MVW Preferred Stock

On October 26, 2011, MVW US Holdings, Inc., a wholly owned subsidiary of MVW, issued \$40 million of its cumulative redeemable Series A preferred stock ("Preferred Stock") to Marriott as part of Marriott's internal reorganization completed in preparation for the Spin-off. On October 28, 2011, Marriott sold all of the Preferred Stock to third-party investors. The Preferred Stock has 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. For the first five years after issuance, the 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. The Preferred Stock will be mandatorily redeemable by MVW US Holdings upon the 10th anniversary of the date of issuance.

Pro Forma Financial Information

The unaudited pro forma condensed consolidated statements of operations (the "pro forma statements of operations") for the thirty-six weeks ended September 9, 2011 and for the fiscal year ended December 31, 2010 are presented as if the Spin-off had occurred on January 2, 2010. The unaudited pro forma condensed consolidated balance sheet (the "pro forma balance sheet") as of September 9, 2011 is presented as if the Spin-off had occurred on September 9, 2011. We refer to the collective pro forma condensed consolidated financial information, all of which is unaudited, as "pro forma financial information."

The pro forma financial information is provided for illustrative and informational purposes only and is not necessarily indicative of and does not purport to represent what Marriott's financial condition or operating results would have been had the Spin-off occurred on the dates indicated or what Marriott's future financial condition or operating results will be after giving effect to the completion of the Spin-off. This information also does not reflect certain financial and operating benefits Marriott expects to realize as a result of the Spin-off. The pro forma financial information was based on and derived from Marriott's audited consolidated financial statements and Marriott's unaudited condensed consolidated financial statements and should be read in conjunction with Marriott's historical financial statements and accompanying notes.

The following is a brief description of the amounts recorded under each of the column headings in the pro forma statements of operations and the pro forma balance sheet:

Historical Marriott

This column reflects Marriott's historical unaudited operating results for the thirty-six weeks ended September 9, 2011, historical audited operating results for the fiscal year ended December 31, 2010 and historical unaudited financial position as of September 9, 2011, excluding adjustments for the Spin-off which are described below. Additionally, the historical balances include amounts relating to the consolidation of variable interest entities. All balances relating to consolidated variable interest entities are removed as part of the Spin-off and are not included in Marriott's pro forma financial information.

Preferred Stock

This column reflects the issuance of the Preferred Stock, which is assumed to have occurred (i) on January 2, 2010 for the purposes of the pro forma statements of operations, and (ii) on September 9, 2011 for purposes of the pro forma balance sheet. Because the Preferred Stock is mandatorily redeemable, we reflect it as a liability and we reflect dividends payable on the Preferred Stock as interest expense. All balances relating to the Preferred Stock are removed as part of the Spin-off and are not included in Marriott's pro forma financial information.

MVW Spin-off

This column reflects, as applicable, MVW's historical operating results for the thirty-six weeks ended September 9, 2011 and for the fiscal year ended December 31, 2010 and historical financial position as of September 9, 2011 as such operating results and financial position were included in Marriott's consolidated financial statements for such periods (and accordingly are reflected in the Historical Marriott columns). This column also reflects the removal of the Preferred Stock and related balances along with all balances relating to consolidated variable interest entities. Certain corporate allocated costs have been excluded from MVW's historical results.

Other

The pro forma statements of operations give effect to the following adjustments:

- The completion by Marriott of an internal reorganization as a result of which MVW owns, directly or indirectly, the entities that conducted Marriott's timeshare operations and timeshare development business.
- The distribution of MVW common stock to Marriott shareholders (based on a one to ten distribution ratio).
- Entry into the Marriott License, Services and Development Agreement (the "Marriott License Agreement"), which requires MVW to pay a fixed annual fee of \$50 million plus 2 percent of initial developer sales of timeshare and fractional ownership interests and residential real estate and 1 percent of resales of interests in ownership units, in each case that are identified with or use Marriott marks.
- Entry into the Ritz-Carlton License, Services and Development Agreement (the "Ritz-Carlton License Agreement"), which requires MVW to pay a fee of 2 percent of initial developer sales of timeshare and fractional ownership interests and residential real estate and 1 percent of resales of interests in ownership units, in each case that are identified with or use Ritz-Carlton marks.
- Entry into the following agreements with MVW in connection with the Spin-off: (1) the Marriott Rewards Affiliation Agreement, (2) the Employee Benefits and Other Employment Matters Allocation Agreement, and (3) various transition services agreements.
- The removal of transaction costs incurred by Marriott relating to the Spin-off.
- Removal of the increase in valuation allowance on deferred taxes relating to changes in management's assessment of the recoverability of certain foreign deferred tax assets as a result of the Spin-off.

The pro forma balance sheet gives effect to the following adjustments:

- The accrual of transaction costs incurred by Marriott relating to the Spin-off but not yet included in its operating results.
- Entry into the following agreements with MVW in connection with the Spin-off: (1) the Marriott Rewards Affiliation Agreement; and (2) the Employee Benefits and Other Employment Matters Allocation Agreement.
- Removal of certain cumulative translation adjustment balances recorded by Marriott.

-
- Reclassification of a portion of the deferred tax balance to current assets as a result of the change in underlying tax attributes as a result of the Spin-off.
 - Valuation allowance increase on deferred taxes relating to changes in management's assessment of the recoverability of certain domestic deferred tax assets as a result of the Spin-off.

MARRIOTT INTERNATIONAL, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the thirty-six weeks ended September 9, 2011
(\$ in millions, except per share amounts)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|--|------------------------|-----------------------|-----------------|--------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| REVENUES | | | | | |
| Base management fees | \$ 419 | \$ — | \$ (44) | \$— | \$ 375 |
| Franchise fees | 347 | — | — | 44A | 391 |
| Incentive management fees | 121 | — | — | — | 121 |
| Owned, leased, corporate housing and other revenue | 727 | — | — | — | 727 |
| Timeshare sales and services | 850 | — | (850) | — | — |
| Cost reimbursements | 6,160 | — | (235) | 25B,C | 5,950 |
| | <u>8,624</u> | <u>—</u> | <u>(1,129)</u> | <u>69</u> | <u>7,564</u> |
| OPERATING COSTS AND EXPENSES | | | | | |
| Owned, leased, and corporate housing-direct | 643 | — | — | — | 643 |
| Timeshare-direct | 720 | — | (720) | — | — |
| Timeshare strategy-impairment charges | 324 | — | (324) | — | — |
| Reimbursed costs | 6,160 | — | (235) | 25B,C | 5,950 |
| General, administrative, and other | 498 | — | (52) | (12)D | 434 |
| | <u>8,345</u> | <u>—</u> | <u>(1,331)</u> | <u>13</u> | <u>7,027</u> |
| OPERATING INCOME | 279 | — | 202 | 56 | 537 |
| Gains and other income | (11) | — | — | — | (11) |
| Interest expense | (117) | (3) | 36 | (9)E,F | (93) |
| Interest income | 9 | — | (1) | 9E,F | 17 |
| Equity in losses | (6) | — | (4) | — | (10) |
| INCOME BEFORE INCOME TAXES | 154 | (3) | 233 | 56 | 440 |
| Provision for income taxes | (97) | 1 | (58) | (22)G,H | (176) |
| NET INCOME | <u>\$ 57</u> | <u>\$ (2)</u> | <u>\$ 175</u> | <u>\$ 34</u> | <u>\$ 264</u> |
| EARNINGS PER SHARE - Basic | | | | | |
| Weighted average shares outstanding | 356.5 | | | | 356.5 |
| Earnings per share | <u>\$.16</u> | | | | <u>\$.74</u> |
| EARNINGS PER SHARE - Diluted | | | | | |
| Weighted average shares outstanding | 369.8 | | | | 369.8 |
| Earnings per share | <u>\$.15</u> | | | | <u>\$.71</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the fiscal year ended December 31, 2010
(\$ in millions, except per share amounts)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|--|------------------------|-----------------------|-----------------|--------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| REVENUES | | | | | |
| Base management fees | \$ 562 | \$ — | \$ (60) | \$— | \$ 502 |
| Franchise fees | 441 | — | — | 64A | 505 |
| Incentive management fees | 182 | — | — | — | 182 |
| Owned, leased, corporate housing and other revenue | 1,046 | — | — | — | 1,046 |
| Timeshare sales and services | 1,221 | — | (1,221) | — | — |
| Cost reimbursements | 8,239 | — | (275) | 24B,C | 7,988 |
| | <u>11,691</u> | <u>—</u> | <u>(1,556)</u> | <u>88</u> | <u>10,223</u> |
| OPERATING COSTS AND EXPENSES | | | | | |
| Owned, leased, and corporate housing-direct | 955 | — | — | — | 955 |
| Timeshare-direct | 1,022 | — | (1,022) | — | — |
| Reimbursed costs | 8,239 | — | (275) | 24B,C | 7,988 |
| General, administrative, and other | 780 | — | (89) | — | 691 |
| | <u>10,996</u> | <u>—</u> | <u>(1,386)</u> | <u>24</u> | <u>9,634</u> |
| OPERATING INCOME | 695 | — | (170) | 64 | 589 |
| Gains and other income | 35 | — | (20) | — | 15 |
| Interest expense | (180) | (5) | 60 | (12)E,F | (137) |
| Interest income | 19 | — | (2) | 12E,F | 29 |
| Equity in losses | (18) | — | (3) | — | (21) |
| INCOME BEFORE INCOME TAXES | 551 | (5) | (135) | 64 | 475 |
| Provision for income taxes | (93) | 2 | 52 | (25)G | (64) |
| NET INCOME | <u>\$ 458</u> | <u>\$ (3)</u> | <u>\$ (83)</u> | <u>\$ 39</u> | <u>\$ 411</u> |
| EARNINGS PER SHARE - Basic | | | | | |
| Weighted average shares outstanding | 362.8 | | | | 362.8 |
| Earnings per share | <u>\$ 1.26</u> | | | | <u>\$ 1.13</u> |
| EARNINGS PER SHARE - Diluted | | | | | |
| Weighted average shares outstanding | 378.3 | | | | 378.3 |
| Earnings per share | <u>\$ 1.21</u> | | | | <u>\$ 1.09</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of September 9, 2011
(\$ in millions)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|---|------------------------|-----------------------|------------------|--------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and equivalents | \$ 220 | \$ 38 | \$ (25) | \$— | \$ 233 |
| Accounts and notes receivable | 1,011 | — | (270) | 89I | 830 |
| Inventory | 1,029 | — | (1,017) | — | 12 |
| Current deferred taxes, net | 234 | — | (3) | 77M,O | 308 |
| Prepaid expenses | 85 | — | (32) | — | 53 |
| Other | 99 | — | (98) | — | 1 |
| | <u>2,678</u> | <u>38</u> | <u>(1,445)</u> | <u>166</u> | <u>1,437</u> |
| Property and equipment | 1,480 | — | (291) | — | 1,189 |
| Intangible assets | | | | | |
| Goodwill | 875 | — | — | — | 875 |
| Contract acquisition costs | 841 | — | — | — | 841 |
| | <u>1,716</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>1,716</u> |
| Equity and cost method investments | 271 | — | (1) | — | 270 |
| Notes receivable | 1,102 | — | (1,002) | 156I,J | 256 |
| Deferred taxes, net | 1,005 | — | (32) | (72)M,N | 901 |
| Other | 213 | 2 | (29) | — | 186 |
| | <u>\$ 8,465</u> | <u>\$ 40</u> | <u>\$(2,800)</u> | <u>\$250</u> | <u>\$ 5,955</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ 480 | \$ — | \$ (119) | \$— | \$ 361 |
| Accounts payable | 619 | — | (111) | — | 508 |
| Accrued payroll and benefits | 735 | — | (57) | — | 678 |
| Liability for guest loyalty program | 487 | — | (89) | 89I | 487 |
| Other | 779 | — | (179) | 22K | 622 |
| | <u>3,100</u> | <u>—</u> | <u>(555)</u> | <u>111</u> | <u>2,656</u> |
| Long-term debt | 2,623 | — | (714) | — | 1,909 |
| Liability for guest loyalty program | 1,360 | — | (93) | 93I | 1,360 |
| Other long-term liabilities | 952 | 40 | (167) | 63J | 888 |
| Marriott shareholders' equity | | | | | |
| Class A Common Stock | 5 | — | — | — | 5 |
| Additional paid-in-capital | 3,657 | — | (1,243) | (5)L | 2,409 |
| Retained Earnings | 3,165 | — | — | (17)K,N | 3,148 |
| Treasury stock, at cost | (6,381) | — | — | — | (6,381) |
| Accumulated other comprehensive loss | (16) | — | (28) | 5L | (39) |
| | <u>430</u> | <u>—</u> | <u>(1,271)</u> | <u>(17)</u> | <u>(858)</u> |
| | <u>\$ 8,465</u> | <u>\$ 40</u> | <u>\$(2,800)</u> | <u>\$250</u> | <u>\$ 5,955</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

Note 1: Unaudited pro forma condensed consolidated statements of operations for the thirty-six weeks ended September 9, 2011 and for the fiscal year ended December 31, 2010:

- (A) Represents the fixed and variable components of the royalty fees of \$44 million and \$64 million for the thirty-six weeks ended September 9, 2011 and the fiscal year ended December 31, 2010, respectively, to be paid by MVW under the Marriott License Agreement and the Ritz-Carlton License Agreement for the rights to use the Marriott and Ritz-Carlton marks for timeshare, fractional and related products as set forth in such agreements.
- (B) Represents revenues of \$15 million and \$22 million for the thirty-six weeks ended September 9, 2011 and the fiscal year ended December 31, 2010, respectively, for cost reimbursement for services provided by Marriott to MVW under various transition services agreements.
- (C) Represents revenues of \$10 million and \$2 million for the thirty-six weeks ended September 9, 2011 and the fiscal year ended December 31, 2010, respectively, from the Marriott Rewards guest loyalty program points issued to owners of MVW ownership interests subsequent to the Spin-off, under the Marriott Rewards Affiliation Agreement.
- (D) Represents an adjustment of \$12 million for the thirty-six weeks ended September 9, 2011 for the removal of transaction costs incurred by Marriott relating to the Spin-off.
- (E) Represents additional interest expense of \$6 million and \$9 million for the thirty-six weeks ended September 9, 2011 and the fiscal year ended December 31, 2010, respectively, for the accretion of the liability for the Marriott Rewards guest loyalty program points issued to owners of MVW ownership interests prior to the Spin-off and additional interest income of \$6 million and \$9 million for the same periods for the accretion of the receivable from MVW for the reimbursement of those Marriott Rewards points, under the Marriott Rewards Affiliation Agreement.
- (F) Represents additional interest expense of \$3 million and \$3 million for the thirty-six weeks ended September 9, 2011 and the fiscal year ended December 31, 2010, respectively, for the accretion of the liability for the obligation to provide certain employment benefits to MVW employees after the Spin-off and additional interest income of \$3 million and \$3 million for the same periods for the accretion of the receivable from MVW for the reimbursement for those employment benefits, under the Employee Benefits and Other Employment Matters Allocation Agreement.
- (G) Represents the tax impact of the above adjustments using a statutory rate of 38.5%.
- (H) The Historical Marriott column includes an adjustment to the tax provision of \$32 million for the thirty-six weeks ended September 9, 2011 which increased the valuation allowance on deferred taxes relating to changes in management's assessment of the recoverability of certain foreign deferred tax assets as a result of the Spin-off. This adjustment is also included in the MVW Spin-off column and therefore is not included in the Pro Forma Marriott column.

Note 2: Unaudited pro forma condensed consolidated balance sheet as of September 9, 2011:

- (I) Represents the establishment of a \$182 million liability (\$89 million current and \$93 million long-term) for the Marriott Rewards guest loyalty program points issued to owners of MVW ownership interests prior to the Spin-off and the establishment of a \$182 million receivable due from MVW for the reimbursement of those Marriott Rewards points, under the Marriott Rewards Affiliation Agreement.
- (J) Represents the establishment of a \$63 million liability for the obligation to provide certain employment benefits to MVW employees after the Spin-off and the establishment of a \$63 million receivable from MVW for the reimbursement of those employment benefits, under the Employee Benefits and Other Employment Matters Allocation Agreement.
- (K) Represents an increase of \$22 million before tax (\$14 million after tax) associated with the accrual for additional transaction costs not yet incurred by Marriott for the Spin-off.
- (L) Represents an adjustment of \$5 million to accumulated other comprehensive loss to reverse certain cumulative translation adjustment balances recorded by Marriott in relation to MVW.
- (M) Represents an adjustment of \$69 million to the deferred tax asset accounts to reclassify a portion of the balance to current assets as a result of the change in the underlying tax attributes expected as a result of the Spin-off.

- (N) Represents an adjustment to the deferred tax asset accounts of \$3 million to reflect the increase in the valuation allowance on deferred taxes relating to changes in management's assessment of the recoverability of certain domestic deferred tax assets as a result of the Spin-off.
- (O) Represents an \$8 million increase to the deferred tax asset accounts associated with Note (K).

Note 3: Timeshare Strategy- Impairment Charges

In preparing our Timeshare segment to operate as an independent public company following the Spin-off, management assessed the Timeshare segment's intended use of excess undeveloped land and built inventory and the current market conditions for those assets. On September 8, 2011, management approved a plan for the Timeshare segment to accelerate cash flow through the monetization of certain excess undeveloped land in the U.S., Mexico, and the Bahamas over the next 18 to 24 months and to accelerate sales of excess built luxury fractional and residential inventory over the next three years. As a result, in accordance with the guidance for accounting for the impairment or disposal of long-lived assets, because the nominal cash flows from the planned land sales and the estimated fair values of the land and excess built luxury inventory were less than their respective carrying values, we recorded a pre-tax non-cash impairment charge of \$324 million (\$234 million after-tax) in the 2011 third quarter. The pre-tax charge is reflected in the Historical Marriott column in the pro forma statement of operations for the thirty-six weeks ended September 9, 2011, under the "Timeshare strategy-impairment charges" caption.

The following table details the composition of these charges.

| <i>(\$ in millions)</i> | |
|-----------------------------------|---------------|
| <u>Impairment Charge</u> | <u>Amount</u> |
| Inventory impairment | \$ 256 |
| Property and equipment impairment | 68 |
| Total | \$ 324 |

In the MVW Spin-off column of the pro forma statement of operations for the thirty-six weeks ended September 9, 2011, this impairment charge is included as part of the spun-off business as the impairment charge was directly related to the MVW assets.

MARRIOTT INTERNATIONAL, INC.
SUPPLEMENTAL UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

Supplemental Unaudited Pro Forma Condensed Consolidated Statements of Operations

The supplemental unaudited pro forma condensed consolidated statements of operations for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011 are presented as if the Spin-off had occurred on January 2, 2010. This supplemental unaudited pro forma condensed consolidated financial information is intended to provide additional supplemental information for each of the twelve week interim periods during fiscal 2011 and is not intended to replace the preceding unaudited pro forma condensed consolidated financial information.

The supplemental unaudited pro forma condensed consolidated statements of operations are provided for illustrative and informational purposes only and are not necessarily indicative of and do not purport to represent what Marriott's financial condition or operating results would have been had the Spin-off occurred on the dates indicated or what Marriott's future financial condition or operating results will be after giving effect to the completion of the Spin-off. This information also does not reflect certain financial and operating benefits Marriott expects to realize as a result of the Spin-off. The supplemental pro forma condensed consolidated statements of operations were based on and derived from Marriott's unaudited condensed consolidated financial statements and should be read in conjunction with Marriott's historical financial statements and accompanying notes.

MARRIOTT INTERNATIONAL, INC.
SUPPLEMENTAL UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

For the twelve weeks ended September 9, 2011

(\$ in millions, except per share amounts)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|--|------------------------|-----------------------|-----------------|--------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| REVENUES | | | | | |
| Base management fees | \$ 136 | \$ — | \$ (16) | \$— | \$ 120 |
| Franchise fees | 124 | — | — | 15A | 139 |
| Incentive management fees | 29 | — | — | — | 29 |
| Owned, leased, corporate housing and other revenue | 254 | — | — | — | 254 |
| Timeshare sales and services | 286 | — | (286) | — | — |
| Cost reimbursements | 2,045 | — | (77) | 9B,C | 1,977 |
| | <u>2,874</u> | <u>—</u> | <u>(379)</u> | <u>24</u> | <u>2,519</u> |
| OPERATING COSTS AND EXPENSES | | | | | |
| Owned, leased, and corporate housing-direct | 219 | — | — | — | 219 |
| Timeshare-direct | 250 | — | (250) | — | — |
| Timeshare strategy-impairment charges | 324 | — | (324) | — | — |
| Reimbursed costs | 2,045 | — | (77) | 9B,C | 1,977 |
| General, administrative, and other | 180 | — | (19) | (8)D | 153 |
| | <u>3,018</u> | <u>—</u> | <u>(670)</u> | <u>1</u> | <u>2,349</u> |
| OPERATING INCOME | (144) | — | 291 | 23 | 170 |
| Gains and other income | (16) | — | 1 | — | (15) |
| Interest expense | (39) | (1) | 11 | (3)E,F | (32) |
| Interest income | 2 | — | — | 3E,F | 5 |
| Equity in losses | (2) | — | (4) | — | (6) |
| INCOME BEFORE INCOME TAXES | (199) | (1) | 299 | 23 | 122 |
| Provision for income taxes | 20 | — | (83) | (9)G,H | (72) |
| NET (LOSS) INCOME | <u>\$ (179)</u> | <u>\$ (1)</u> | <u>\$ 216</u> | <u>\$ 14</u> | <u>\$ 50</u> |
| (LOSSES) EARNINGS PER SHARE - Basic | | | | | |
| Weighted average shares outstanding | 345.4 | | | | 345.4 |
| (Losses) Earnings per share | <u>\$ (.52)</u> | | | | <u>\$.14</u> |
| (LOSSES) EARNINGS PER SHARE - Diluted | | | | | |
| Weighted average shares outstanding | 345.41 | | | | 356.8 |
| (Losses) Earnings per share | <u>\$ (.52)</u> | | | | <u>\$.14</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
SUPPLEMENTAL UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

For the twelve weeks ended June 17, 2011

(\$ in millions, except per share amounts)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|--|------------------------|-----------------------|-----------------|--------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| REVENUES | | | | | |
| Base management fees | \$ 149 | \$ — | \$ (14) | \$— | \$ 135 |
| Franchise fees | 120 | — | — | 15A | 135 |
| Incentive management fees | 50 | — | — | — | 50 |
| Owned, leased, corporate housing and other revenue | 249 | — | — | — | 249 |
| Timeshare sales and services | 288 | — | (288) | — | — |
| Cost reimbursements | 2,116 | — | (89) | 9B,C | 2,036 |
| | <u>2,972</u> | <u>—</u> | <u>(391)</u> | <u>24</u> | <u>2,605</u> |
| OPERATING COSTS AND EXPENSES | | | | | |
| Owned, leased, and corporate housing-direct | 220 | — | — | — | 220 |
| Timeshare-direct | 245 | — | (245) | — | — |
| Reimbursed costs | 2,116 | — | (89) | 9B,C | 2,036 |
| General, administrative, and other | 159 | — | (16) | (3)D | 140 |
| | <u>2,740</u> | <u>—</u> | <u>(350)</u> | <u>6</u> | <u>2,396</u> |
| OPERATING INCOME | 232 | — | (41) | 18 | 209 |
| Gains and other income | 3 | — | (1) | — | 2 |
| Interest expense | (37) | (1) | 12 | (3)E,F | (29) |
| Interest income | 3 | — | (1) | 3E,F | 5 |
| INCOME BEFORE INCOME TAXES | 201 | (1) | (31) | 18 | 187 |
| Provision for income taxes | (66) | 1 | 11 | (7)G | (61) |
| NET INCOME | <u>\$ 135</u> | <u>\$ —</u> | <u>\$ (20)</u> | <u>\$ 11</u> | <u>\$ 126</u> |
| EARNINGS PER SHARE - Basic | | | | | |
| Weighted average shares outstanding | 356.9 | | | | 356.9 |
| Earnings per share | <u>\$.38</u> | | | | <u>\$.35</u> |
| EARNINGS PER SHARE - Diluted | | | | | |
| Weighted average shares outstanding | 369.4 | | | | 369.4 |
| Earnings per share | <u>\$.37</u> | | | | <u>\$.34</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
SUPPLEMENTAL UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

For the twelve weeks ended March 25, 2011

(\$ in millions, except per share amounts)

| | Historical Marriott | Pro Forma Adjustments | | | Pro Forma Marriott |
|--|------------------------|-----------------------|-----------------|-------------|-----------------------|
| | | Preferred Stock | MVW Spin-off | Other | |
| REVENUES | | | | | |
| Base management fees | \$ 134 | \$ — | \$ (14) | \$— | \$ 120 |
| Franchise fees | 103 | — | — | 14A | 117 |
| Incentive management fees | 42 | — | — | — | 42 |
| Owned, leased, corporate housing and other revenue | 224 | — | — | — | 224 |
| Timeshare sales and services | 276 | — | (276) | — | — |
| Cost reimbursements | 1,999 | — | (69) | 7B,C | 1,937 |
| | <u>2,778</u> | <u>—</u> | <u>(359)</u> | <u>21</u> | <u>2,440</u> |
| OPERATING COSTS AND EXPENSES | | | | | |
| Owned, leased, and corporate housing-direct | 204 | — | — | — | 204 |
| Timeshare-direct | 225 | — | (225) | — | — |
| Reimbursed costs | 1,999 | — | (69) | 7B,C | 1,937 |
| General, administrative, and other | 159 | — | (17) | (1)D | 141 |
| | <u>2,587</u> | <u>—</u> | <u>(311)</u> | <u>6</u> | <u>2,282</u> |
| OPERATING INCOME | 191 | — | (48) | 15 | 158 |
| Gains and other income | 2 | — | — | — | 2 |
| Interest expense | (41) | (1) | 13 | (3)E,F | (32) |
| Interest income | 4 | — | — | 3E,F | 7 |
| Equity in losses | (4) | — | — | — | (4) |
| INCOME BEFORE INCOME TAXES | 152 | (1) | (35) | 15 | 131 |
| Provision for income taxes | (51) | — | 14 | (6)G | (43) |
| NET INCOME | <u>\$ 101</u> | <u>\$ (1)</u> | <u>\$ (21)</u> | <u>\$ 9</u> | <u>\$ 88</u> |
| EARNINGS PER SHARE - Basic | | | | | |
| Weighted average shares outstanding | 367.1 | | | | 367.1 |
| Earnings per share | <u>\$.27</u> | | | | <u>\$.24</u> |
| EARNINGS PER SHARE - Diluted | | | | | |
| Weighted average shares outstanding | 381.8 | | | | 381.8 |
| Earnings per share | <u>\$.26</u> | | | | <u>\$.23</u> |

See accompanying notes to unaudited pro forma condensed consolidated financial information.

MARRIOTT INTERNATIONAL, INC.
NOTES TO SUPPLEMENTAL UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL INFORMATION

Supplemental unaudited pro forma condensed consolidated statements of operations for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011:

- (A) Represents the fixed and variable components of the royalty fees of \$15 million, \$15 million and \$14 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, to be paid by MVW under the Marriott License Agreement and the Ritz-Carlton License Agreement for the rights to use the Marriott and Ritz-Carlton marks for timeshare, fractional and related products as set forth in such agreements.
- (B) Represents revenues of \$5 million, \$5 million and \$5 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, for cost reimbursement for services provided by Marriott to MVW under various transition services agreements.
- (C) Represents revenues of \$4 million, \$4 million and \$2 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, from the Marriott Rewards guest loyalty program points issued to owners of MVW ownership interests subsequent to the Spin-off, under the Marriott Rewards Affiliation Agreement.
- (D) Represents an adjustment of \$8 million, \$3 million and \$1 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, for the removal of transaction costs incurred by Marriott relating to the Spin-off.
- (E) Represents additional interest expense of \$2 million, \$2 million and \$2 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, for the accretion of the liability for the Marriott Rewards guest loyalty program points issued to owners of MVW ownership interests prior to the Spin-off and additional interest income of \$2 million, \$2 million and \$2 million for the same periods for the accretion of the receivable from MVW for the reimbursement of those Marriott Rewards points, under the Marriott Rewards Affiliation Agreement.
- (F) Represents additional interest expense of \$1 million, \$1 million and \$1 million for the twelve weeks ended September 9, 2011, June 17, 2011 and March 25, 2011, respectively, for the accretion of the liability for the obligation to provide certain employment benefits to MVW employees after the Spin-off and additional interest income of \$1 million, \$1 million and \$1 million for the same periods for the accretion of the receivable from MVW for the reimbursement for those employment benefits, under the Employee Benefits and Other Employment Matters Allocation Agreement.
- (G) Represents the tax impact of the above adjustments using a statutory rate of 38.5%.
- (H) The Historical Marriott column includes an adjustment to the tax provision of \$32 million for the twelve weeks ended September 9, 2011 which increased the valuation allowance on deferred taxes relating to changes in management's assessment of the recoverability of certain foreign deferred tax assets as a result of the Spin-off. This adjustment is also included in the MVW Spin-off balance and therefore is not included in the Pro Forma Marriott column.
- (I) Basic and fully diluted weighted average shares outstanding used to calculate earnings per share for the period in which we had a loss are the same because inclusion of additional equivalents would be anti-dilutive.