UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549	OMB Number: 3235-0145 Expires: October 31, 1997 Estimated average burden hours per response....14.90

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. ___)*

ExecuStay Corporation
(Name of Issuer)

Common Stock, par value $.01 per share
(Title of Class of Securities)

30150K 10 0
(CUSIP Number)

G. Cope Stewart, III, Esq.
Senior Vice President and Associate General Counsel
Marriott International, Inc.
10400 Fernwood Road
Bethesda, Maryland 20817
Telephone: (301) 380 6256
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 6, 1999
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule . 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [_]

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Marriott International, Inc.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) [_] (b) [_]
3	SEC USE ONLY	
4	SOURCE OF FUNDS* WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER 0	
	8 SHARED VOTING POWER 3,765,455 (1)	
	9 SOLE DISPOSITIVE POWER 0	
	10 SHARED DISPOSITIVE POWER 3,765,455 (1)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,765,455 (1)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	[_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 45.7%(1)	
14	TYPE OF REPORTING PERSON* CO	

(1) The Reporting Person disclaims beneficial ownership of such shares and this statement shall not be construed as an admission that the Reporting Person is the beneficial owner of any securities covered by this statement.

CUSIP No. 30150K 10 0	Page 3 of 8 Pages

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON MI Subsidiary I, Inc.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) [_] (b) [_]
3	SEC USE ONLY	
4	SOURCE OF FUNDS* WC, OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER 0	
	8 SHARED VOTING POWER 3,765,455(2)	
	9 SOLE DISPOSITIVE POWER 0	
	10 SHARED DISPOSITIVE POWER 3,765,455 (2)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,765,455 (2)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	[_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 45.7% (2)	
14	TYPE OF REPORTING PERSON* CO	

(2) See footnote (1) on page 2.

This statement is filed by MI Subsidiary I, Inc. (the "Purchaser") and Marriott International, Inc. ("Marriott") with the U.S. Securities and Exchange Commission on January 15, 1999.

Item 1. Security and Issuer:

The name of the issuer is ExecuStay Corporation, a Maryland corporation (the "Company"), which has its principal executive offices at 7595 Rickenbacker Drive, Gaithersburg, Maryland 20879.

The class of equity securities to which this statement relates is the common stock, par value $.01 per share (the "Common Stock") of the Company. The information set forth in the Introduction of the Offer to Purchase, a copy of which is attached hereto as Exhibit A (the "Offer to Purchase"), is incorporated herein by reference. Capitalized terms used and not defined herein have the meanings ascribed to them in the Offer to Purchase.

Item 2. Identity and Background:

(a) - (c) and (f) This statement is filed by the Purchaser, a Delaware corporation, and Marriott, a Delaware corporation of which the Purchaser is a wholly owned, direct subsidiary. Each of Marriott and the Purchaser has a principal place of business and a principal office at 10400 Fernwood Road, Bethesda, Maryland 20817. The information set forth in the Introduction, "THE TENDER OFFER -- 8. Certain Information Concerning Purchaser and Marriott," and Schedule I ("Directors and Officers of Marriott and Purchaser") of the Offer to Purchase is incorporated herein by reference.

(d) and (e) During the last five years, none of Purchaser, Marriott nor, to the best knowledge of Purchaser or Marriott, any of the persons listed in Schedule I to the Offer to Purchase has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration:

The information set forth in "THE TENDER OFFER -- 9. Source and Amount of Funds" and "THE TENDER OFFER -- 12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements" in the Offer to Purchase is hereby incorporated by reference.

Pursuant to the Merger Agreement dated January 6, 1999, a copy of which is attached as Exhibit B, the source of funds and other consideration for the Merger are as follows: (1) the Cash Merger Consideration will be funded by a capital contribution to the Purchaser by Marriott, out of its working capital; and (2) Marriott will issue the Marriott Stock in exchange for the Preferred Shares to the Class A Holders and the Class B Holders in the Merger. The aggregate amount of the Cash Merger Consideration will be $14.00 multiplied by the number of shares of Common Stock outstanding at the time of the Merger, except for such shares owned by Marriott, the Purchaser or any subsidiary of Marriott, the Purchaser or the Company, which shares will be canceled in the Merger. The amount of Marriott Stock to be issued in the Merger will be (i) 0.4484 shares of Marriott Stock for each share of Class A Preferred Stock outstanding at the time of the Merger and (ii) .0.4829 shares of Marriott Stock for each share of Class B Preferred Stock outstanding at the time of the Merger.

In the event that the Purchaser exercises its right to purchase shares of the Common Stock pursuant to the Options granted by the Option Grantors pursuant to the Stockholders Agreements dated

January 6, 1999, copies of which are attached hereto as Exhibits C, D and E, Marriott will use its working capital to make a capital contribution to the Purchaser to fund such purchases.

Item 4. Purpose of Transaction:

(a) - (g), (j) The information set forth in the Introduction, "THE TENDER OFFER -- 11. Contacts with the Company; Background of the Offer and the Merger" and "THE TENDER OFFER -- 12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements" of the Offer to Purchase is incorporated herein by reference.

Pursuant to the Merger Agreement, at the Effective Time the certificate of incorporation and bylaws of the Purchaser would become the certificate of incorporation and bylaws of the Surviving Corporation, and the officers and directors of The Purchaser would become the officers and directors of the Surviving Corporation. The business of the Company would be carried out by the Surviving Corporation as a wholly-owned, direct subsidiary of Marriott.

(h) and (I) The information set forth in "THE TENDER OFFER -- 14. Effects of the Offer on the Market for Shares; Nasdaq Stock Market and Exchange Act Registration" of the Offer to Purchase is incorporated herein by reference.

Except as disclosed in the Offer to Purchase, the Merger Agreement and the Stockholder Agreements, neither Marriott nor the Purchaser has any current plans or proposals that relate to or would result in any of the events described in clauses (a) through (j) of the instructions to Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) - (c) The information set forth in the Introduction, "THE TENDER OFFER -- 11. Contacts with the Company; Background of the Offer and the Merger" and "THE TENDER OFFER -- 12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements" of the Offer to Purchase is incorporated herein by reference. As a result of the Purchaser's conditional option to purchase certain shares of the Common Stock beneficially owned by the Option Grantors, each of Marriott and the Purchaser may be deemed beneficially to own, and have shared voting and disposition power with respect to, an aggregate of 3,765,455 shares of the Common Stock (representing approximately 45.7% of the shares of Common Stock outstanding on January 6, 1999). Each of Marriott and the Purchaser, however, disclaims beneficial ownership of such shares of Common Stock, and this statement shall not be construed as an admission that either Marriott or the Purchaser is, for any or all purposes, the beneficial owner of the securities covered by this statement.

(d) The information set forth in "THE TENDER OFFER -- 12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements" of the Offer to Purchase is incorporated herein by reference. Until the exercise of one or more Options relating to his or her shares of the Common Stock, each Option Grantor will retain the right to receive dividends from, and the proceeds from the sale of, such shares of the Common Stock.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer:

The information set forth in the Introduction, "THE TENDER OFFER -- 9. Certain Information concerning Purchaser and Marriott," "THE TENDER OFFER -- 11. Contacts with the Company; Background of the Offer and the Merger" and "THE TENDER OFFER -- 12. Purpose of the Offer; The

Merger Agreement; The Stockholder Agreements" of the Offer to Purchase is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits:

Exhibit A Offer to Purchase, dated January 12, 1999

Exhibit B Merger Agreement, dated as of January 6, 1999, among the Company, the Purchaser and Marriott

Exhibit C Stockholder Agreement, dated January 6, 1999, among the Purchaser, Marriott and certain executive officers of the Company

Exhibit D Stockholder Agreement, dated January 6, 1999, among the Purchaser, Marriott and B. Anderson

Exhibit E Stockholder Agreement, dated January 6, 1999, among the Purchaser, Marriott and K. Regan

SIGNATURE

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

January 15, 1999

MARRIOTT INTERNATIONAL, INC.

By: /s/ G. Cope Stewart, III
Name: G. Cope Stewart, III
Title: Executive Vice President and General Counsel

MI SUBSIDIARY I, INC.

By: /s/ G. Cope Stewart, III
Name: G. Cope Stewart, III
Title: Vice President

EXHIBIT INDEX

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Exhibit E	Stockholder Agreement, dated January 6, 1999, among the Purchaser, Marriott and K. Regan

Exhibit A

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK

OF

EXECUSTAY CORPORATION

AT

$14.00 NET PER SHARE

BY
MI SUBSIDIARY I, INC.
A WHOLLY OWNED SUBSIDIARY OF
MARRIOTT INTERNATIONAL, INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, FEBRUARY 11, 1999 (THE "EXPIRATION DATE"), UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED BY THE EXPIRATION DATE AND NOT WITHDRAWN AT LEAST 2,000,000 SHARES AND (2) THE SATISFACTION OR WAIVER OF CERTAIN CONDITIONS TO THE OBLIGATIONS OF PURCHASER AND THE COMPANY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, INCLUDING RECEIPT BY PURCHASER AND THE COMPANY OF CERTAIN GOVERNMENTAL AND REGULATORY APPROVALS.

THE BOARD OF DIRECTORS OF EXECUSTAY CORPORATION (THE "COMPANY") HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, TAKEN TOGETHER, ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY, HAS APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND RECOMMENDS THAT THE STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES HEREUNDER.

IMPORTANT

Any stockholder desiring to tender Shares (as defined herein) should either (1) complete and sign the Letter of Transmittal, or a facsimile copy thereof, in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the Depositary and either deliver the certificates for such Shares to the Depositary along with the Letter of Transmittal or tender such Shares pursuant to the procedure for book-entry transfer set forth in this Offer to Purchase under the caption "THE TENDER OFFER--2. Procedure for Accepting the Offer and Tendering Shares" or (2) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for the stockholder. Stockholders having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender such Shares.

A stockholder who desires to tender Shares and whose certificates for Shares are not immediately available, or who cannot comply with the procedures for book-entry transfer described in this Offer to Purchase on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in this Offer to Purchase under the caption "THE TENDER OFFER--2. Procedure for Accepting the Offer and Tendering Shares."

Questions and requests for assistance, or for additional copies of this Offer to Purchase, the Letter of Transmittal or other tender offer materials, may be directed to the Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Holders of Shares may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The Information Agent for the Offer is:

[LOGO OF MACKENZIE PARTNERS, INC. APPEARS HERE]

156 Fifth Avenue
New York, New York 10010
(212) 929-5500 (call collect)
or
CALL TOLL FREE (800) 322-2885

The date of this Offer to Purchase is January 12, 1999

TABLE OF CONTENTS

To the Holders of Common Stock of
ExecuStay Corporation:

INTRODUCTION

MI Subsidiary I, Inc., a Delaware corporation ("Purchaser"), which is a wholly owned, direct subsidiary of Marriott International, Inc., a Delaware corporation ("Marriott"), hereby offers to purchase all outstanding shares of common stock, par value $0.01 per share (the "Common Stock" or the "Shares"), of ExecuStay Corporation, a Maryland corporation (the "Company"), upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer"), at the purchase price of $14.00 per Share (the "Offer Price"), net to the tendering stockholder in cash.

The Offer is being made pursuant to the terms of the Merger Agreement, dated as of January 6, 1999 (the "Merger Agreement"), by and among the Company, Purchaser and Marriott. The Merger Agreement provides, among other things, for the making of the Offer, and further provides that, following the purchase of Shares pursuant to the Offer and promptly after the satisfaction or waiver of certain other conditions, the Company will be merged with and into Purchaser (the "Merger"). Purchaser will continue as the surviving corporation after the Merger (the "Surviving Corporation"). Prior to the consummation of the Merger, the Company will provide for the issuance to certain stockholders (the "Non-Tendering Stockholders") who have entered into Stockholder Agreements with Purchaser and Marriott (collectively, the "Stockholder Agreements") of shares of newly-designated non-voting preferred stock (the "Preferred Shares") as described herein in exchange for the Shares that such Non-Tendering Stockholders have agreed not to tender. Pursuant to the Stockholder Agreements, the Non-Tendering Stockholders have agreed not to tender in the Offer the Shares subject to the Stockholder Agreement in the Offer and to vote such Shares in favor of the Merger, if necessary. At the effective time of the Merger (the "Effective Time"), (i)(a) each outstanding Preferred Share held by the three senior executive officers (the "Senior Executives") of the Company will be converted into the right to receive shares of common stock, $0.01 par value per share, of Marriott ("Marriott Shares") at the equivalent of $13.00 per Preferred Share and (b) each outstanding Preferred Share held by two employees of the Company and by certain other stockholders of the Company will be converted into the right to receive Marriott Shares at the equivalent of $14.00 per Preferred Share, and (ii) each outstanding Share (except for Shares owned by Marriott, Purchaser or any subsidiary of Marriott, Purchaser or the Company) will be converted into the right to receive the Offer Price, net to the holder in cash, without interest.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD") HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, TAKEN TOGETHER, ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY, HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND RECOMMENDS THAT THE STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES HEREUNDER.

A.G. EDWARDS & SONS, INC. ("A.G. EDWARDS"), FINANCIAL ADVISOR TO THE COMPANY, HAS DELIVERED A WRITTEN OPINION TO THE BOARD, DATED JANUARY 5, 1999 (THE "A.G. EDWARDS OPINION"), TO THE EFFECT THAT, AS OF THAT DATE, THE CONSIDERATION TO BE RECEIVED BY THE STOCKHOLDERS OF THE COMPANY PURSUANT TO THE MERGER AGREEMENT IS FAIR FROM A FINANCIAL POINT OF VIEW TO SUCH STOCKHOLDERS. THE FULL TEXT OF THE A.G. EDWARDS OPINION IS ATTACHED TO THE COMPANY'S SOLICITATION/ RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 WHICH IS BEING MAILED TO STOCKHOLDERS OF THE COMPANY HEREWITH. STOCKHOLDERS ARE URGED TO READ SUCH OPINION CAREFULLY AND IN ITS ENTIRETY FOR ASSUMPTIONS MADE, MATTERS CONSIDERED AND LIMITS OF THE REVIEW OF A.G. EDWARDS.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THE SATISFACTION OR WAIVER OF CERTAIN CONDITIONS TO THE OBLIGATIONS OF PURCHASER, MARRIOTT AND THE COMPANY TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, INCLUDING (I) THERE BEING VALIDLY TENDERED BY THE EXPIRATION DATE AND NOT WITHDRAWN AT LEAST 2,000,000 SHARES (THE "MINIMUM CONDITION"), (II) RECEIPT BY PURCHASER, MARRIOTT AND THE COMPANY OF CERTAIN GOVERNMENTAL AND REGULATORY APPROVALS AND (III) CERTAIN OTHER CONDITIONS. SEE "THE TENDER OFFER--15. CERTAIN CONDITIONS OF THE OFFER."

THE OFFER DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF THE COMPANY'S STOCKHOLDERS. ANY SUCH SOLICITATION, IF NECESSARY, WOULD BE MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS COMPLYING WITH THE REQUIREMENTS OF SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT").

The Offer will expire at Midnight, New York City time, on Thursday, February 11, 1999, unless extended.

Tendering stockholders will not be obligated to pay brokerage commissions, solicitation fees or, subject to Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares pursuant to the Offer. However, any tendering stockholder or other payee who fails to complete and sign the Substitute Form W-9 that is included in the Letter of Transmittal may be subject to required backup federal income tax withholding of 31% of the gross proceeds payable to such stockholder or other payee pursuant to the Offer. See "THE TENDER OFFER--5. Certain Federal Income Tax Consequences." Purchaser will pay all charges and expenses of First Chicago Trust Company of New York, as depositary (in such capacity, the "Depositary"), and MacKenzie Partners, Inc., as Information Agent (in such capacity, the "Information Agent"), incurred in connection with the Offer. For a description of the fees and expenses to be paid by Purchaser, see "THE TENDER OFFER--17. Fees and Expenses."

Consummation of the Merger is subject to a number of conditions, including approval by the stockholders of the Company if such approval is required by applicable law. See "THE TENDER OFFER--16. Certain Legal Matters; Regulatory Approvals." The Non-Tendering Stockholders, who hold an aggregate of approximately 55% of the outstanding Shares, have agreed (i) not to tender their Shares in the Offer unless Marriott consents to their doing so, and (ii) to vote their Shares in favor of the Merger, if necessary. See "THE TENDER OFFER--12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements." The Company has informed Marriott that as of January 6, 1999, there were 8,235,806 Shares issued and outstanding and 356,650 Shares reserved for issuance upon the exercise of outstanding Company stock options. If Purchaser acquires at least 2,000,000 Shares in the Offer, Purchaser and the Non-Tendering Stockholders together will have sufficient voting power to approve and adopt the Merger Agreement and the Merger at a stockholders' meeting without the vote of any other stockholder of the Company. If Purchaser acquires at least 3,302,924 of the Shares tendered in the Offer, then Purchaser, after issuance of the non-voting Preferred Shares to the Non-Tendering Stockholders, will hold at least 90% of the voting equity of the Company, Purchaser and the Company will be able to merge using the "short-form" procedures of the Maryland General Corporation Law (the "MGCL"), and the Company will not be obligated to hold a stockholders' meeting to approve the Merger Agreement and the Merger.

The information contained in this Offer to Purchase concerning the Company was supplied by the Company. Purchaser takes no responsibility for the completeness or accuracy of such information. The information contained in this Offer to Purchase concerning the Offer, the Merger, Marriott and Purchaser was supplied by Purchaser. The Company takes no responsibility for the completeness or accuracy of such information.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. ALSO SEE "THE TENDER OFFER--18. MISCELLANEOUS" FOR INFORMATION REGARDING CERTAIN ADDITIONAL DOCUMENTS FILED WITH THE

SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") IN CONNECTION WITH THE OFFER.

References herein to Marriott shall, unless the context indicates otherwise, include Marriott and all of its subsidiaries including Purchaser.

THE TENDER OFFER

1. TERMS OF THE OFFER; EXPIRATION DATE

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered on or prior to the Expiration Date and not withdrawn in accordance with the provisions set forth in this Offer to Purchase under the caption "TENDER OFFER--3. Withdrawal Rights." The term "Expiration Date" shall mean Midnight, New York City time, on Thursday, February 11, 1999, unless and until Purchaser, subject to restrictions contained in the Merger Agreement, shall from time to time have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by Purchaser, shall expire.

Pursuant to the Merger Agreement, Purchaser may increase the Offer Price and may make any other changes in the terms and conditions of the Offer, provided that, unless previously approved by the Company in writing, Purchaser may not (i) decrease the Offer Price, (ii) change the form of consideration payable in the Offer, (iii) add conditions to the Offer in addition to those set forth in Article 7 of the Merger Agreement or (iv) broaden the scope of those conditions.

Purchaser may, without the consent of the Company's Board of Directors, from time to time extend the expiration date of the Offer. Purchaser confirms that its right to delay payment for Shares that it has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a tender offeror pay the consideration offered or return the tendered securities promptly after the termination or withdrawal of a tender offer.

Subject to the applicable rules and regulations of the Commission, Purchaser expressly reserves the right, subject to the terms and conditions of the Merger Agreement, at any time and from time to time, upon the failure to be satisfied of any of the conditions to the Offer, to (i) terminate or amend the Offer, (ii) extend the Offer and postpone acceptance for payment of any Shares or (iii) waive any condition to completion of the Offer. During any such extension all Shares previously tendered and not properly withdrawn will remain subject to any such extension and will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw such stockholder's Shares. In the event that Purchaser waives any of the conditions set forth in this Offer to Purchase under the caption "THE TENDER OFFER--15. Certain Conditions of the Offer," the Commission may, if the waiver is deemed to constitute a material change to the information previously provided to the stockholders, require that the Offer remain open for an additional period of time and/or that Purchaser disseminate information concerning such waiver.

If Purchaser extends the Offer, or if Purchaser (whether before or after its acceptance for payment of Shares) is delayed in its payment for Shares or is unable to pay for Shares pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depositary may retain tendered Shares on behalf of Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in this Offer to Purchase under the caption "THE TENDER OFFER--3. Withdrawal Rights." However, as described above, the ability of Purchaser to delay payment for Shares that Purchaser has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, Purchaser will disseminate additional tender offer materials (including

by public announcement as set forth above) and extend the Offer to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act. Such rules generally provide that the minimum period during which a tender offer must remain open following a material change in the terms of the offer or information concerning the offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the changes in the terms or information. In the Commission's view, an offer should remain open for a minimum of five business days from the date a material change is first published, sent or given to security holders, and, if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of ten business days may be required to allow for adequate dissemination and investor response. With respect to a change in price or a change in percentage of securities sought, a minimum ten-business-day period is generally required to allow for adequate dissemination to stockholders and for investor response.

Any extension, amendment or termination of the Offer will be followed as promptly as practicable by public announcement in accordance with the public announcement requirements of Rule 14e-1(d) under the Exchange Act. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform stockholders of such change) and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service.

The Company has provided Purchaser with the Company's stockholder list, a nonobjecting beneficial owners list, and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. PROCEDURE FOR ACCEPTING THE OFFER AND TENDERING SHARES

Valid Tender of Shares

For a stockholder to validly tender Shares pursuant to the Offer, either (i) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), together with any required signature guarantees, or an Agent's Message (as defined herein) in connection with a book-entry delivery of Shares, and any other required documents, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase, and either certificates ("Share Certificates") for tendered Shares must be received by the Depositary at one of such addresses or such tendered Shares must be delivered pursuant to the procedure for book-entry transfer set forth below (and a Book-Entry Confirmation (as defined herein) received by the Depositary), in each case prior to the Expiration Date or (ii) the tendering stockholder must comply with the guaranteed delivery procedures set forth below.

Book-Entry Transfers

The Depositary will establish an account with respect to the Shares at The Depository Trust Company (the "Book-Entry Transfer Facility") for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the Book-Entry Transfer Facility may make book-entry delivery of the Shares by causing the book-entry transfer system to transfer such Shares into the Depositary's account at a Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedure for such transfer. Although delivery of Shares may be effected through book-entry transfer at the Book-Entry Transfer Facility, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to, and received by, the

Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedures described below. The confirmation of a book-entry transfer of Shares into the Depositary's account at the Book-Entry Transfer Facility as described above is referred to herein as a "Book-Entry Confirmation." DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH ITS BOOK-ENTRY PROCEDURES DOES NOT CONSTITUTE VALID DELIVERY TO THE DEPOSITARY.

The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of the Book-Entry Confirmation, which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares, that such participant has received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE ELECTION AND SOLE RISK OF THE TENDERING STOCKHOLDER AND DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED AT THE DEPOSITARY. IF DELIVERY IS BY MAIL, THEN INSURED OR REGISTERED MAIL WITH RETURN RECEIPT REQUESTED IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees

No signature guarantee on the Letter of Transmittal is required if (i) the Letter of Transmittal is signed by the registered holder of the Shares (which term, for purposes of this Section, includes any participant in the Book-Entry Transfer Facility system whose name appears on a security position listing as the owner of the Shares) tendered therewith and such registered holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on such Letter of Transmittal or (ii) such Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program (each, an "Eligible Institution"). In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instructions 1 and 5 to the Letter of Transmittal. If the Share Certificates are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made to, or Share Certificates not validly tendered, not accepted for payment or not purchased are to be issued or returned to, a person other than the registered holder of the Share Certificates, the tendered Share Certificates must be endorsed in blank or accompanied by appropriate stock powers, signed exactly as the name of the registered holder appears on the Share Certificates with the signature on such Share Certificates or stock powers guaranteed by an Eligible Institution. See Instructions 1 and 5 to the Letter of Transmittal.

Guaranteed Delivery

If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's Share Certificates are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depositary prior to the Expiration Date, such Shares may nevertheless be tendered provided that all of the following guaranteed delivery procedures are duly complied with:

(a) such tender is made by or through an Eligible Institution;

(b) the Depositary receives (by hand, mail, telegram or facsimile transmission) on or prior to the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser; and

(c) the Share Certificates representing all tendered Shares, in proper form for transfer (or Book-Entry Confirmation with respect to such Shares), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by the Letter of Transmittal, are received by the Depositary within three Nasdaq trading days after the date of such Notice of Guaranteed Delivery. A "Nasdaq trading day" is any day on which securities are traded on the Nasdaq Stock Market.

The Notice of Guaranteed Delivery may be delivered by hand, or may be transmitted by telegram, facsimile transmission or mail, to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (i) Share Certificates for (or a timely Book-Entry Confirmation with respect to) such Shares, (ii) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), or, in the case of book-entry transfer, an Agent's Message, and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates, Book-Entry Confirmations and such other documents are actually received by the Depositary. Under no circumstances will interest be paid by Purchaser on the purchase price of the Shares to any tendering stockholders, regardless of any extension of the Offer or any delay in making such payment.

Determination of Validity

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser in its sole discretion, which determination will be final and binding. Purchaser reserves the absolute right to reject any or all tenders of any Shares that it determines are not in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser's counsel, be unlawful. Purchaser also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the tender of any Shares with respect to any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. None of Purchaser, Marriott, the Depositary, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders or incur any liability for failure to give any such notice. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

Other Requirements

By executing the Letter of Transmittal as set forth herein, a tendering stockholder irrevocably appoints designees of Purchaser as such stockholder's proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser (and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares on or after February 12, 1999), effective when, if and to the extent that Purchaser accepts such Shares for payment pursuant to the Offer. All such proxies shall be considered coupled with an interest in the tendered Shares. Upon such acceptance for payment, all prior proxies given by such stockholder with respect to such Shares accepted for payment or other securities or rights will, without further action, be revoked, and no subsequent proxies may be given. Such designees of Purchaser will, with respect to such Shares for which the appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper in respect of any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's payment for such Shares, Purchaser must be able to exercise full voting rights with respect to such Shares.

Purchaser's acceptance for payment of Shares tendered pursuant to any of the procedures described herein will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer.

Backup Federal Income Tax Withholding

To prevent backup federal income tax withholding on payments of cash pursuant to the Offer, a stockholder tendering Shares in the offer must provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") on a Substitute Form W-9 and certify under penalties of perjury that such TIN is correct and that such stockholder is not subject to backup withholding. If a stockholder does not provide its correct TIN or fails to provide the certification described herein, under federal income tax laws, the Depositary will be required to withhold 31% of the amount of any payment made to such stockholder pursuant to the Offer. All stockholders tendering Shares pursuant to the Offer should complete and sign the Substitute Form W-9 included as a part of the Letter of Transmittal to provide the information and certification necessary to avoid backup withholding. Noncorporate foreign stockholders should complete and sign a Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depositary, in order to avoid backup withholding. See Instruction 10 to the Letter of Transmittal.

3. WITHDRAWAL RIGHTS

Tenders of Shares made pursuant to the Offer will be irrevocable, except that Shares tendered may be withdrawn at any time prior to the Expiration Date and, unless accepted for payment and paid for as provided herein, may also be withdrawn at any time on or after March 15, 1999.

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn as set forth on such Share Certificates if different from the name of the person who tendered such Shares. If Share Certificates have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be furnished to the Depositary and, unless such Shares have been tendered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been delivered pursuant to the procedures for book-entry transfer set forth in Section 2 above, any notice of withdrawal must specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with such withdrawn Shares and otherwise comply with the Book-Entry Transfer Facility's procedures for withdrawal, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the first sentence of this paragraph.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Purchaser in its sole discretion, and its determination will be final and binding. None of Purchaser, the Depositary, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor shall any of them incur any liability for failure to give any such notice.

Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures described in Section 2 above at any time on or prior to the Expiration Date.

4. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), Purchaser will accept for payment, and will pay for

promptly after the Expiration Date, any and all Shares validly tendered on or prior to the Expiration Date and not properly withdrawn in accordance with Section 3 above. Subject to applicable rules of the Commission and the terms and conditions of the Merger Agreement, Purchaser expressly reserves the right, in its sole discretion, to delay acceptance for payment of, or payment for, Shares in order to comply in whole or in part with any applicable law.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) the Share Certificates (or timely Book-Entry Confirmation of the book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth under Section 2 above), (ii) the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer and (iii) any other documents required by the Letter of Transmittal.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered to Purchaser and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance for payment of such Shares pursuant to the Offer. In all cases, upon the terms and subject to the conditions of the Offer, payment for Shares so accepted for payment will be made by the deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from Purchaser and transmitting payment to validly tendering stockholders. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID BY PURCHASER ON THE PURCHASE PRICE OF THE SHARES TENDERED PURSUANT TO THE OFFER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT. Upon the deposit of funds with the Depositary for the purpose of making payments to tendering stockholders, Purchaser's obligation to make such payments shall be satisfied and tendering stockholders must thereafter look solely to the Depositary for payment of amounts owed to them by reason of the acceptance for payment of Shares pursuant to the Offer. Purchaser will pay any stock transfer taxes with respect to the transfer and sale to it or its order pursuant to the Offer, except as otherwise provided in Instruction 6 of the Letter of Transmittal, as well as any charges and expenses of the Depositary and the Information Agent.

If Purchaser is delayed in its acceptance for payment of, or payment for tendered Shares or is unable to accept for payment or pay for such Shares pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer (but subject to Purchaser's obligations under Rule 14e-1(c) under the Exchange Act to pay for or return the tendered Shares promptly after the termination or withdrawal of the Offer), the Depositary may, nevertheless, retain tendered Shares on behalf of Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to exercise, and duly exercise, withdrawal rights as described under Section 3 above.

If any tendered Shares are not purchased pursuant to the Offer because of an invalid tender or for any reason, Share Certificates for any such Shares will be returned, without expense, to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth under Section 2 above, such Shares will be credited to an account maintained at the Book-Entry Transfer Facility) as promptly as practicable following the expiration or termination of the Offer.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The summary of Federal income tax consequences set forth below is for general information only and is based on Purchaser's understanding of the law as currently in effect. The tax consequences to each stockholder will depend in part upon such stockholder's particular situation. Special tax consequences not described herein may be applicable to particular classes of taxpayers, such as financial institutions, broker-dealers, persons who are not citizens or residents of the United States and stockholders who acquired their Shares through the exercise of an employee stock option or otherwise as compensation. ALL STOCKHOLDERS SHOULD

CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF THE ALTERNATIVE MINIMUM TAX AND ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS AND OF CHANGES IN SUCH TAX LAWS.

The receipt of cash for Shares pursuant to the Offer (or the Merger) will be a taxable transaction for federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. Generally, for federal tax purposes, a stockholder who receives cash for Shares pursuant to the Offer (or the Merger) will recognize gain or loss for federal income tax purposes equal to the difference between the amount of cash received in exchange for the Shares sold and such stockholder's adjusted tax basis in such Shares. Provided that the Shares constitute capital assets in the hands of the stockholder, such gain or loss will be capital gain or loss, and will be long term capital gain or loss if the holder has held the Shares for more than one year at the time of sale. Gain or loss will be calculated separately for each block of Shares (i.e., a group of Shares with the same tax basis and holding period) tendered pursuant to the Offer.

A stockholder (other than certain exempt stockholders including, among others, all corporations and certain foreign individuals and entities) that tenders Shares may be subject to 31% backup withholding unless the stockholder provides its TIN and certifies that such number is correct or properly certifies that it is awaiting a TIN, or unless an exemption applies. A stockholder who does not furnish its TIN may be subject to a penalty imposed by the Internal Revenue Service (the "IRS"). See Section 2.

If backup withholding applies to a stockholder, the Depositary is required to withhold 31% from payments to such stockholder. Backup withholding is not an additional tax. Rather, the amount of the backup withholding can be credited against the federal income tax liability of the person subject to the backup withholding, provided that the required information is given to the IRS. If backup withholding results in an overpayment of tax, a refund can be obtained by the stockholder upon filing an appropriate income tax return.

6. PRICE RANGE OF THE SHARES

The Shares are traded on the Nasdaq Stock Market under the symbol "EXEC." The Shares began trading on the Nasdaq Stock Market on August 27, 1997. The following table sets forth, for the periods indicated, the high bid and low ask prices per share as reported on the Nasdaq Stock Market according to published sources:

	TRADING	
	HIGH	LOW
Fiscal Year Ended December 31, 1997:		
Third Quarter (from August 27-September 30)	$12.00	$10.50
Fourth Quarter	$12.50	$ 8.25
Fiscal Year Ended December 31, 1998:		
First Quarter	$12.75	$ 9.25
Second Quarter	$14.25	$10.88
Third Quarter	$12.50	$ 8.00
Fourth Quarter	$13.63	$ 7.00

On January 5, 1999, the last full day of trading prior to the public announcement of the execution of the Merger Agreement, according to published sources, the last reported bid price of the Common Stock on the Nasdaq Stock Market was $13.56 per Share. On January 11, 1999, the last full day of trading before the commencement of the Offer, according to published sources, the last reported bid price of the Common Stock on the Nasdaq Stock Market was $13.81 per Share. STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE COMMON STOCK.

7. CERTAIN INFORMATION CONCERNING THE COMPANY

General

The Company is a Maryland corporation with its principal offices located at 7595 Rickenbacker Drive, Gaithersburg, Maryland 20879.

The Company is a provider of interim housing for corporate clients and professionals. In addition to providing fully furnished housing, the Company also rents housewares and furniture to property management companies and apartment communities. The Company has offices throughout the United States.

Available Information

The Shares are registered under the Exchange Act. Accordingly, the Company is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning the Company's directors and officers (including their remuneration, stock options granted to them and shares held by them), the principal holders of the Company's securities, and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements and annual reports distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information are available for inspection and copying at the public reference facilities of the Commission located in Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located in Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and Seven World Trade Center, Suite 1300, New York, New York 10048. Copies of this material may also be obtained by mail, upon payment of the Commission's customary fees from the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission also maintains an Internet site on the World Wide Web at http://www.sec.gov that contains company reports, proxy statements and other information, all of which may be printed out via computer with no fees charged. In addition, such material should also be available for inspection at The Nasdaq Stock Market, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

The Preferred Shares will not be registered under the Exchange Act or traded on any securities exchange or over-the-counter quotations system.

Summary Financial Information

The following table sets forth certain summary consolidated financial information with respect to the Company and its consolidated subsidiaries derived from the audited financial statements contained in the Company's 1997 Annual Report on Form 10-K and the unaudited financial statements contained in the Company's Quarterly Reports on Form 10-Q for the quarters ended September 30, 1997 and September 30, 1998. The summary below is qualified by reference to such document (which may be inspected and obtained as described above under "Available Information"), including the financial statements and related notes contained therein.

EXECUSTAY CORPORATION AND SUBSIDIARIES

SUMMARY CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	NINE MONTHS ENDED		FISCAL YEAR ENDED	
	SEPTEMBER 30, 1998	SEPTEMBER 30, 1997	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)			
INCOME STATEMENT DATA:				
Revenue:				
Interim housing revenue	$80,935	$27,831	$41,927	$20,905
Furniture and houseware revenue	7,645	7,422	9,831	8,740
Total revenue	$88,580	$35,253	$51,758	$29,645
Operating costs and expenses:				
Cost of revenue	63,955	23,401	35,306	18,472
Personnel and payroll costs	11,478	5,821	8,246	5,597
Occupancy costs and nonrental depreciation and amortization	2,961	1,167	1,600	994
Other operating costs	3,037	1,638	2,209	1,616
Nonrecurring operating expenses	630	--	--	--
Total operating costs and expenses	$82,061	$32,027	$47,361	$26,679
Earnings from operations	6,519	3,226	4,397	2,966
Interest expense	359	278	156	308
Earnings before income taxes	$ 6,160	$ 2,948	$ 4,241	$ 2,658
Income tax expense	2,464	156	285	--
Net income	$ 3,696	$ 2,792	$ 3,956	$ 2,658
PRO FORMA DATA (1):				
Pro forma net income	$ 3,696	$ 1,769	$ 2,545	$ 1,595
Pro forma net income per common share (diluted)	$ 0.49	$ 0.41	$ 0.51	$ 0.39
Weighted average common shares outstanding (diluted)	7,619	4,336	4,986	4,074

	AT SEPTEMBER 30, 1998	AT DECEMBER 31, 1997
	(UNAUDITED)	
BALANCE SHEET DATA:		
Cash and cash equivalents	$ 308	$16,134
Property on or held for lease, net	7,644	4,912
Total assets	79,178	43,830
Bank line of credit	3,041	5,000
Notes payable to bank	17,000	--
Total stockholders' equity	49,050	31,026

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(1) Prior to the public offering of the Shares on August 27, 1997, the Company elected to be treated as an S corporation and was not subject to federal and certain state income taxes. The Pro Forma Data reflect federal and state income tax based on applicable tax rates as if the Company had not elected S corporation status for those periods.

(2) The pro forma weighted average common shares outstanding is based on: (i) the weighted average shares outstanding during the period; and (ii) the assumed sale of a sufficient number of common shares necessary to provide funds to make a distribution of all undistributed S corporation earnings from June 30, 1997 in excess of earnings for the twelve-month period then ended and to make the distribution of $1.1 million declared on June 13, 1997.

Except as otherwise noted in this Offer to Purchase, all of the information with respect to the Company set forth in this Offer to Purchase has been derived from publicly available information. Although Purchaser has no knowledge that any such information is untrue, Purchaser takes no responsibility for the accuracy or completeness of information contained in this Offer to Purchase with respect to the Company or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information.

8. CERTAIN INFORMATION CONCERNING PURCHASER AND MARRIOTT

Purchaser is a Delaware corporation with its principal executive offices located at 10400 Fernwood Road, Bethesda, Maryland 20857. Purchaser, a wholly-owned, direct subsidiary of Marriott, was organized to acquire the Company and has not conducted any unrelated activities since its organization.

Marriott is a Delaware corporation with its principal office located at 10400 Fernwood Road, Bethesda, Maryland 20857. Marriott and its subsidiaries are worldwide operators and franchisers of hotels and senior living communities and providers of distribution services. Marriott and its subsidiaries operate and franchise lodging facilities under eleven separate brand names and develop and operate vacation timesharing resorts. Marriott Senior Living Services develops and operates senior living communities involving independent living, assisted living and skilled nursing care for seniors in the United States. Marriott Distribution Services supplies food and related products to external customers and to internal operations throughout the United States.

Set forth below is certain selected consolidated financial information with respect to Marriott and its subsidiaries excerpted from the information contained in Marriott's 1997 Annual Report on Form 10-K (the "Marriott 1997 Annual Report") and Marriott's Quarterly Report on Form 10-Q for the quarter ended September 11, 1998 (the "Marriott 1998 10-Q"). More comprehensive financial information is included in the Marriott 1997 Annual Report, the Marriott 1998 10-Q and other documents filed by Marriott with the Commission, and the following summary is qualified in its entirety by reference to the Marriott 1997 Annual Report, the Marriott 1998 10-Q and such other documents and all the financial information (including any related notes) contained therein. The Marriott 1997 Annual Report, the Marriott 1998 10-Q and such other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below under "Available Information."

MARRIOTT INTERNATIONAL, INC. AND SUBSIDIARIES

SUMMARY CONSOLIDATED FINANCIAL INFORMATION
(IN MILLIONS, EXCEPT PER SHARE DATA)

	THIRTY-SIX WEEKS ENDED		FISCAL YEAR ENDED	
	SEPTEMBER 11, 1998	SEPTEMBER 12, 1997	JANUARY 2, 1998	JANUARY 3, 1997
	(UNAUDITED)			
INCOME STATEMENT DATA:				
Sales(1)	$6,994	$6,177	$9,046	$7,267
Operating profit before corporate expenses and interest	513	430	609	508
Net Income	276	227	324	270
PER SHARE DATA:				
Basic earnings per share(2)	1.09	0.89	1.27	1.06
Diluted earnings per share(2)	1.02	0.84	1.19	0.99
Cash dividends declared(3)	0.15			

	SEPTEMBER 11, 1998	JANUARY 2, 1998
	(UNAUDITED)	
BALANCE SHEET DATA:		
Current assets(1)	$1,513	$1,367
Total assets	6,155	5,557
Long-term and convertible subordinated debt	858	422
Shareholders' equity(3)	2,556	

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(1) Starting with its 1998 Form 10-K, Marriott will change its accounting policy relating to the recognition of sales and working capital of managed hotels and retirement communities. This change in policy will have no impact on operating profit or net income. The data presented above does not reflect the restatement which will arise following adoption of this change in accounting policy.

(2) Earnings per share data for periods prior to March 27, 1998 are pro forma and unaudited since Marriott was not a publicly held company during those periods.

(3) Shareholders' equity and cash dividends declared for periods prior to March 27, 1998 are not presented since Marriott was a wholly owned subsidiary of Sodexho Marriott Services, Inc. (formerly Marriott International, Inc.) during those periods.

Available Information. Marriott is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports relating to its business, financial condition and other matters. Information, as of particular dates, concerning Marriott's directors and officers, their remuneration, stock options and other matters, the principal holders of Marriott's securities and any material interest of such persons in transactions

with Marriott is required to be disclosed in proxy statements distributed to Marriott's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the Commission and copies thereof should be obtainable from the Commission in the same manner as is set forth with respect to the Company in Section 7.

The name, business address, citizenship, present principal occupation or employment and five-year employment history of each of the executive officers of Marriott and Purchaser are set forth in Schedule I hereto.

Except as described in this Offer to Purchase (i) none of Marriott or Purchaser or, to the best of Marriott's and the Purchaser's knowledge, any of the persons listed in Schedule I hereto, or any associate or majority-owned subsidiary of Marriott or any of the persons so listed, beneficially owns or has any right to acquire directly or indirectly any Shares or has any contract, arrangement, understanding or relationship with any other person with respect to any Shares, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any Shares, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss, or the giving or withholding of proxies, and (ii) none of Marriott or Purchaser or to the knowledge of Marriott and Purchaser, any of the other persons referred to above, or any of the respective directors, executive officers or subsidiaries of any of the foregoing, has effected any transaction in the Shares during the past 60 days.

9. SOURCE AND AMOUNT OF FUNDS

The total amount of funds required by Purchaser to purchase the Shares will be approximately $51.4 million. Purchaser plans to obtain all funds needed for the Offer through a capital contribution, which will be made by Marriott to Purchaser at the time the Shares tendered pursuant to the Offer are accepted for payment. Marriott intends to use its available cash on hand to make this capital contribution. Neither the Offer nor the Merger is conditioned on obtaining financing.

10. CERTAIN TRANSACTIONS BETWEEN MARRIOTT AND THE COMPANY

Except as set forth in this Offer to Purchase, since January 1, 1998, none of Marriott or Purchaser or, to the best knowledge of Marriott and Purchaser, any of the persons listed on Schedule I hereto, has had any transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as set forth in this Offer to Purchase, since January 1, 1998 there have been no contracts, negotiations or transactions between Marriott, or any of its subsidiaries or, to the best knowledge of Marriott and Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition; a tender offer for or other acquisition of securities of any class of the Company; an election of directors of the Company; or a sale or other transfer of a material amount of assets of the Company or any of its subsidiaries.

11. CONTACTS WITH THE COMPANY; BACKGROUND OF THE OFFER AND THE MERGER

The Company has supplied Purchaser and Marriott with the following information.

The decision of the Board to approve and recommend the Merger Agreement was the result of an extended evaluation process. Management of the Company has long believed that stockholder value could be maximized by developing a national presence in the interim housing industry in order to enhance profitability and make the Company a more attractive acquisition candidate. Following the Company's initial public offering in August 1997, the Company implemented an aggressive acquisition strategy, increasing revenues from $30,000,000 in 1996 to approximately $120,000,000 in 1998. As a result of this series of acquisitions, the most recent and largest of which was the Accommodations America acquisition in May 1998, the Company now operates in nearly all the major metropolitan markets in the United States that management had targeted. As a

result, management determined that the Company was now in position to maximize stockholder value through a sale of the Company.

In making its determination to approve the Merger Agreement, the Board also considered various factors that could adversely affect the market price of the Shares, including (i) a limited public float and low average daily trading volumes of the Shares, (ii) a limited number of market makers and investment banking firms preparing research reports with respect to the Company, (iii) a limited number of comparable public companies against which investors could evaluate the Company's performance, (iv) each of the Company's two primary competitors had a major decline in its stock price following a recent initial public offering and (v) management's belief that one or more national lodging companies are likely to enter the interim housing industry. Based on the foregoing factors, Company management believes that the trading price of the Shares is subject to volatility and that any recovery following a significant price decline might be lengthy and difficult.

On January 6, 1999, the Company entered into the Merger Agreement, and the Non-Tendering Stockholders simultaneously entered into Stockholder Agreements. A full chronology of events leading to the execution of such agreements is set forth below.

On June 30, 1998, a representative of a prospective purchaser ("Bidder A") contacted Gary Abrahams, the Company's Chief Executive Officer, by telephone to indicate a possible interest in acquiring the Company. Shortly thereafter, Mr. Abrahams contacted Arne Sorenson, then the Senior Vice President of Development of Marriott (now its Chief Financial Officer), and also contacted representatives of another prospective bidder ("Bidder B") for the purpose of determining whether Marriott or Bidder B had an interest in acquiring the Company. Mr. Abrahams scheduled a meeting with representatives of Bidder B in Chicago for July 8, 1998. However, Mr. Abrahams was delayed by bad weather on the date of the meeting, and the meeting was rescheduled and occurred on July 24, 1998. On July 28, 1998, Mr. Abrahams and another representative of the Company met with Mr. Sorenson at Marriott's headquarters in Bethesda, Maryland. Also on July 28, 1998, Mr. Abrahams met with a representative of A.G. Edwards to discuss generally the strategic direction of the Company, and generally to review various strategic alternatives, including possible business combination or sale transactions. Management informed the members of the Board of these discussions with Marriott, Bidder A and Bidder B at the Company's July 29, 1998 board meeting. At that meeting, the Board determined that management should continue to investigate possible transactions between the bidders and the Company. Prior to the July 29 meeting, the price of the Shares had declined from its all-time high of $14.25 in May 1998 to $10.25 on July 29.

David Santee, one of the Company's independent directors, is a divisional president of Bidder B. In order to avoid possible conflicts of interest, upon the advice of counsel, management of the Company determined to exclude Mr. Santee from any discussions involving the sale of the Company so long as Bidder B remained a viable candidate.

In response to the Board's directive, the Company asked A.G. Edwards to prepare an analysis of various potential business combination partners or purchasers of the Company. A.G. Edwards prepared such an analysis and presented it to Company management in early August. During August 1998 management continued discussions with the three prospective bidders and sent preliminary financial models to each of them. Although Mr. Abrahams also initiated discussions with another potential purchaser, that party expressed no interest in acquiring the Company.

On July 30, 1998, a representative of Bidder A met with management at the Company's executive offices to discuss a possible transaction. Four representatives of Bidder A again visited the Company's executive offices on August 27, 1998. As a result of that meeting, Bidder A verbally indicated that it might be interested in acquiring the Company and suggested a valuation in the range of $11.00 or $12.00 per share. Bidder A also indicated that it desired to proceed on an exclusive basis.

Mr. Sorenson of Marriott visited the Company's executive offices on August 13, 1998. At that meeting, Mr. Sorenson informed the Company that Marriott had been considering an entry into the interim housing business for some time, believing that such an operation would complement Marriott's other lodging operations. As a result of that meeting, after the Company and Marriott had entered into a confidentiality agreement, Company management made a presentation at Marriott's executive offices on September 2, 1998. On September 22, 1998, Mr. Sorenson orally indicated that Marriott might be interested in acquiring the Shares and suggested a price of $12.00 per share in cash or $11.00 per share in a transaction involving an exchange for Marriott Shares. Mr. Sorenson also indicated that, if the Company were interested in pursuing a transaction, Marriott desired to proceed on an exclusive basis. On September 28, 1998, Mr. Abrahams informed Mr. Sorenson by telephone that the Company was interested in continuing to negotiate with Marriott, but was unwilling at that time to do so on an exclusive basis. Mr. Abrahams further informed Mr. Sorenson that the Company intended to engage A.G. Edwards to assist in the process.

Although Mr. Abrahams had telephone conversations with representatives of Bidder B in August and September 1998, Bidder B declined to perform any due diligence on the Company, but orally indicated on September 17, 1998 that it might be interested in acquiring the Company in a stock-for-stock exchange that would value the Shares at approximately $10.00 per share. On September 23, Mr. Abrahams informed Bidder B that the Company had received other informal offers in the range of $12.00 per share and invited Bidder B to improve its offer. On September 29, Bidder B telephoned Mr. Abrahams to indicate that it might be willing to acquire the Company in an exchange that would value the Company in the range of $10.25 to $10.50 per share.

On September 29, 1998, the Company engaged A.G. Edwards to assist in the negotiation process and to prepare a fairness opinion for the Board. In October 1998 A.G. Edwards conducted a due diligence investigation of the Company and also assisted the Company in the preparation of a detailed financial model that was delivered to each of Marriott, Bidder A and Bidder B. During August, September and October, the price of the Shares continued to decline, reaching its low of $7.00 per share on October 16, 1998.

In November 1998, Marriott commenced a preliminary financial and legal due diligence investigation of the Company. Although Bidder A did not conduct any legal due diligence during this time, it did perform a financial analysis of the Company.

On November 25, 1998, A.G. Edwards sent a letter to Marriott, Bidder A and Bidder B requesting each of them to submit a written proposal by December 7. Marriott and Bidder A each submitted a written proposal (described below) by such date. Bidder B did not submit a proposal, and management asked A.G. Edwards to contact Bidder B to determine if Bidder B intended to make an offer. Several days after the December 7, deadline, Bidder B informed A.G. Edwards that it might consider an acquisition of the Company in a stock for stock exchange that valued the Company in the range of $10.00 to $11.00 per share. A.G. Edwards told Bidder B that its offer was not competitive and invited Bidder B to improve its proposal, but Bidder B indicated it was unwilling to do so.

The proposals submitted by Marriott and Bidder A are summarized below.

Marriott's initial proposal (i) offered to purchase publicly held Shares for $13.50 per share in cash and (2) offered to acquire Shares held by Gary Abrahams, Marc Kaplan, Robert Zaugg and Benny Anderson for the equivalent of $12.00 per share to be paid in shares of Marriott Shares. The exchange ratio for the four major stockholders was to be based on the average closing price for Marriott Shares for the ten trading days prior to the commencement of the tender offer for the publicly held Shares. The proposal indicated that Marriott was willing to structure the exchange with management in a manner that would qualify as a tax-free reorganization. The proposal included a three-year restriction on the ability of each of the four major stockholders to sell the Marriott stock to be issued to them in the proposed transaction. The proposal also was conditioned on certain unspecified key employees signing three-year employment agreements with Marriott that would include

unspecified incentive compensation based on the future performance of the Company as well as reasonable agreements not to compete.

The letter submitted by Bidder A included two alternative proposals, either of which could be selected by the Company. Under one alternative, each public stockholder would have had a choice of receiving either (i) $14.00 per share in cash for all Shares held by such stockholder or (ii) one share of a new series of preferred stock (the "Earnout Preferred") of the surviving company for each Share for up to 75% of the Shares held by such stockholder and a cash payment of $14.00 per share for the Shares not exchanged for the Earnout Preferred. Under the other alternative, each public stockholder would simply be offered $14.00 per share in cash. Under either alternative, the Company's senior management would be required to enter into employment agreements and to exchange 75% of their Shares for the Earnout Preferred. The Earnout Preferred shares issued to senior management would be nontransferable. As soon as practicable after December 31, 2000, the surviving company would be required to redeem all of the shares of the Earnout Preferred, and the holders of such stock would be required to sell such shares to the surviving company, at a price per share equal to 11.88 times the amount by which (x) the surviving company's earnings per share before interest, taxes, depreciation and amortization for the year 2000 exceeded (y) $1.43. The exchange, as proposed by Bidder A, would not qualify as a tax-free reorganization. It was also unclear whether there would be any public market, or practical liquidity, prior to the year 2001 for the Earnout Preferred shares issued to public stockholders of the Company if they elected to receive such shares. Bidder A's offer was contingent on Bidder A arranging financing for the cash payments. There was no such condition in the Marriott offer. Both offers were conditioned on completion of due diligence and execution of definitive agreements with usual and customary provisions and conditions.

After receipt on December 7, 1998 of these written proposals from Marriott and Bidder A, management asked A.G. Edwards to contact the bidders to clarify certain terms contained in their respective proposals and to probe for areas that each bidder might be willing to improve. During these discussions, A.G. Edwards told Marriott, among other things, that Marriott needed to improve the Company's valuation levels. Marriott said it would consider improving its offer and would respond promptly. On December 10, 1998, Marriott submitted a revised written proposal that increased the price per share and otherwise contained the terms that, in all material respects, became the terms of the Merger Agreement.

Subsequent to the receipt of the December 7 proposal from Bidder A, representatives of A.G. Edwards informed Bidder A that management was unwilling to accept a proposal that required them to receive 75% of their sales price in Earnout Preferred stock. Bidder A declined to modify its proposal, and instead asked that the Company make a counter proposal.

On Thursday, December 10, 1998, a representative of A.G. Edwards made a presentation regarding the bids to the Board.

On Friday, December 11, 1998, Marriott sent a letter to A.G. Edwards outlining the proposed terms of employment agreements to be entered into with Messrs. Abrahams, Kaplan and Zaugg. For a description of the terms of these employment agreements, see "THE TENDER OFFER--12. Purpose of the Offer; The Merger Agreement; The Stockholder Agreements--Interests of Certain Persons in the Merger.'

On the afternoon of December 11, 1998, the Board held a telephonic meeting to consider the proposals. Representatives of A.G. Edwards and Dorsey & Whitney LLP, counsel to the Company, also participated in the meeting. Marc Kaplan, a director, was unavailable. Another director, David Santee, initially was not included in the meeting because of potential conflicts stemming from his status as an employee of Bidder B. While the meeting was in progress, a representative of A.G. Edwards contacted Bidder B to solicit an enhanced offer or to confirm that Bidder B was still unwilling to improve its offer. Bidder B declined to improve its offer and indicated that it was no longer interested in pursuing an acquisition of the Company. The Board then determined that Mr. Santee's employment relationship with Bidder B would no longer pose a conflict, and Mr. Santee was immediately invited to join the Board meeting by telephone. Upon joining the meeting, Mr. Santee

was briefed on the status of the proposals and he participated in the deliberations during the remainder of the telephonic meeting.

At the meeting, representatives of A.G. Edwards indicated, based on discussions with Marriott and the significant due diligence that Marriott had already performed, that Marriott was willing to proceed quickly to complete due diligence and negotiate definitive agreements. After lengthy discussion and consideration of the proposals from Marriott and Bidder A, the Board decided to seek improved offers from each of them. The Board instructed A.G. Edwards to propose to Marriott that it further increase its offer. The Board also instructed A.G. Edwards to propose to Bidder A that it increase the amount of its offer and that it eliminate or substantially reduce the requirement that the major stockholders receive 75% of their consideration in Earnout Preferred.

On Saturday, December 12, 1998, Bidder A made an overall value enhancement to its previous offer, but did not correct certain structural issues fundamental to its proposal.

On Sunday, December 13, 1998, the Board held another telephonic meeting. All five directors participated as well as representatives from A.G. Edwards and a representative of Dorsey & Whitney LLP. At that meeting, A.G. Edwards reported that, as a result of its further discussions, Bidder A had orally increased its offer to $15.00 per share, which amount would be payable in cash to the public stockholders. However, under Bidder A's revised proposal, senior management would still be required to receive one-half to two-thirds of their consideration in Earnout Preferred. The three directors who are executive officers again expressed their unwillingness to take such a significant percentage of their consideration in Earnout Preferred, and indicated that they would only consider an offer from Bidder A if all or substantially all of the price was paid to them in cash. The Board instructed A.G. Edwards to inform Bidder A that its offer would only be considered if all or substantially all of the purchase price for management were payable in cash, and to solicit an offer from Bidder A on that basis.

On Monday, December 14, 1998, the Board held another telephonic meeting. All five directors participated as well as representatives of A.G. Edwards and a representative of Dorsey & Whitney LLP. At that meeting, A.G. Edwards reported that Bidder A had declined to modify its latest offer. A.G. Edwards further reported that Marriott had declined to increase the purchase price that it had proposed in its latest offer. Mr. Abrahams confirmed that in a separate discussion with Mr. Sorenson of Marriott, Mr. Sorenson had declined to increase the offer price. Marriott had also indicated to A.G. Edwards that, if its proposal was acceptable, it wanted to proceed on an exclusive basis with the negotiation and preparation of definitive documents. After further discussion and deliberation, the Board unanimously agreed to accept the Marriott bid and authorized management to proceed to negotiate with Marriott on an exclusive basis and prepare definitive agreements. The last reported trade of the Shares on December 14 was $12.00, and the last reported trade for Marriott Shares on that date was $28.50.

On Friday, December 18, 1998, the Company and Marriott entered into an exclusivity agreement with the objective of entering into a definitive acquisition agreement.

On Monday, December 21, 1998, counsel for the Company as well as a representative of A.G. Edwards met with representatives of Marriott and its legal counsel at the offices of Gibson, Dunn & Crutcher LLP in Washington, D.C. for the purpose of preparing definitive documents. At that meeting, the parties agreed that, for purposes of calculating the exchange ratio, the Marriott Shares would be valued using the average of the closing prices as reported on the New York Stock Exchange Composite Transactions reporting system for the ten full business days prior to the date on which the Merger Agreement would be signed. The last reported trade of the Shares on December 21, 1998 was $12.00, and the last reported trade for Marriott Shares on that date was $27.00.

On Thursday, December 31, 1998, copies of definitive agreements in substantially final form were distributed to each member of the Board. On Sunday, January 3, 1999, a representative of Dorsey & Whitney

LLP and a representative from A.G. Edwards had a telephone conference with David Santee and Stuart Siegel, the Company's two independent directors, to discuss the terms of the tender offer and merger as well as other matters related to the transaction. During that discussion, the A.G. Edwards representative stated that none of the bidders, other than Marriott, had been in contact with him since the Board's December 14 decision to proceed with a transaction with Marriott.

The definitive Merger Agreement was approved by the Board at a special meeting held on January 5, 1999, and was signed by the Company and Marriott on the morning of January 6, 1999. The Company and Marriott immediately issued press releases announcing the Merger Agreement before the stock market opened on January 6, 1999. The last reported trade of the Company's stock on January 5, 1999 was $13.56, and the last reported trade for Marriott Shares on that date was $30.94.

12. PURPOSE OF THE OFFER; THE MERGER AGREEMENT; THE STOCKHOLDER AGREEMENTS

Purpose and Structure

The purpose of the Offer is for Marriott to acquire the entire equity interest in the Company not held by the Non-Tendering Stockholders. The purpose of the Merger is for Marriott to acquire all of the equity interest in the Company not acquired pursuant to the Offer. Upon consummation of the Merger, the Company will merge into Purchaser, a direct, wholly owned subsidiary of Marriott. The acquisition of equity in the Company has been structured as a cash tender offer followed by a merger in order to provide (a) a prompt transfer of ownership of the equity interest in the Company held by the Company's public stockholders from them to Marriott and to provide them with cash for all of their Shares, and (b) for the issuance of the Marriott Shares to the Non-Tendering Stockholders in return for the Shares subject to the Stockholder Agreements. Immediately before consummation of the Merger, the Company will provide for the issuance to the Non-Tendering Stockholders of the Preferred Shares. Pursuant to the Stockholder Agreements, the Non-Tendering Stockholders have agreed not to tender their Shares in the Offer (although Marriott may consent to their doing so) and to vote their Shares in favor of the Merger. In the Merger (i)(a) each outstanding Preferred Share held by the Senior Executives will be converted into the right to receive Marriott Shares at the equivalent of $13.00 per Preferred Share and (b) each remaining outstanding Preferred Share (which will be held by an executive officer and certain stockholders of the Company) will be converted into the right to receive Marriott Shares at the equivalent of $14.00 per Preferred Share, and (ii) each outstanding Share (except for Shares owned by Marriott, Purchaser or any subsidiary of Marriott, Purchaser or the Company) will be converted into the right to receive the Offer Price, net to the holder in cash, without interest. The Marriott Shares to be issued in connection with the Merger will be "restricted securities" subject to restrictions on transfer under securities laws and pursuant to the Stockholder Agreements.

Under the MGCL, the approval of the Board and, under certain circumstances, the affirmative vote of the holders of two-thirds of the outstanding Shares is required to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger. If Purchaser acquires at least 2,000,000 Shares in the Offer, Purchaser and the Non-Tendering Stockholders together will have sufficient voting power to approve and adopt the Merger Agreement and the Merger without the vote of any other stockholder of the Company. If Purchaser acquires at least 3,302,924 of the Shares tendered in the Offer, then Purchaser, after issuance of the non-voting Preferred Shares to the Non-Tendering Stockholders, will hold at least 90% of the voting equity of the Company, Purchaser and the Company will be able to merge using the "short-form" procedures of the MGCL, and the Company will not be obligated to hold a stockholders' meeting to approve the Merger Agreement and the Merger.

In the Merger Agreement, the Company has agreed to take all action necessary to convene a special meeting of its stockholders as promptly as practicable after the consummation of the Offer for the purpose of considering and taking action on the Merger Agreement and the transactions contemplated thereby, if such action is required under the MGCL.

The Merger Agreement

The following summary of certain provisions of the Merger Agreement is presented only as a summary and is qualified in its entirety by reference to the Merger Agreement, a copy of which is included as an exhibit to the Schedule 14D-1.

The Offer. The Merger Agreement provides for the making of the Offer by Purchaser. Marriott has agreed to guarantee the performance by Purchaser of its obligations under the Merger Agreement. Purchaser's obligation to accept for payment or pay for Shares is subject to the satisfaction of the conditions that are described in "THE TENDER OFFER--15. Certain Conditions of the Offer." Pursuant to the Merger Agreement, Purchaser expressly reserves the right to waive any of the conditions to the Offer, to the extent permitted by applicable law, and to make any change in the terms or conditions of the Offer; provided, however, that, without the written consent of the Company, Purchaser may not decrease the Offer Price, change the form of consideration payable, impose conditions to the Offer in addition to those set forth in Article 7 of the Merger Agreement or broaden the scope of such conditions. Notwithstanding the foregoing, Purchaser may (i) terminate the Offer at any time on or after March 1, 1999, or (ii) decline to accept for payment or pay for tendered Shares (subject to Purchaser's legal obligations under the Exchange Act), delay the acceptance for payment, or payment for, tendered Shares (subject to the same proviso), and may amend the Offer, including extending the deadline of or terminating the Offer, if any of the events described in Section 15 hereof occurs.

The Board. The Merger Agreement provides that promptly after the close of the Offer and the purchase of Shares pursuant thereto, Purchaser will be entitled to designate a majority of the Board. The Company will, upon request from Purchaser, use its best efforts to either increase the size of the Board (subject to the provisions of Article Eleventh of the Company's charter) or secure the resignation of such number of directors as is necessary to enable Purchaser's designees to be elected to the Board and to cause such designees to be so elected and to constitute at all times after the Tender Offer Purchase Time (as defined below) a majority of the Board. Notwithstanding the foregoing, the Company shall use its best efforts to ensure that Gary R. Abrahams, Marc B. Kaplan and Robert W. Zaugg remain members of the Board until the Effective Time of the Merger. The Company shall promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder to enable Purchaser's designees to be elected to the Board. Purchaser will supply the Company any information with respect to its nominees, officers, directors and affiliates required by Section 14(f) of the Exchange Act and Rule 14f-1 thereunder.

Following the appointment of Purchaser's designees to the Board and prior to the Effective Time of the Merger, any amendment of the Merger Agreement, any termination of the Merger Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Marriott or Purchaser or waiver of the Company's rights under the Merger Agreement will require the concurrence of a majority of the directors who were directors of the Company before the appointment of Purchaser's designees.

Issuance of Class A and Class B Preferred Stock. Among the transactions contemplated by the Merger Agreement, the Company intends to provide for the Preferred Stock Issuance (as defined below), wherein (a) shares of class A preferred stock, par value $.01 per share, of the Company (the "Class A Preferred Stock") will be issued on a share-for-share basis in exchange for the Shares owned by the three Senior Executives; and (b) shares of class B preferred stock, par value $.01 per share, of the Company (the "Class B Preferred Stock") will be issued on a share-for-share basis in exchange for the Shares owned by two employees and certain other stockholders of the Company (the foregoing, collectively, the "Preferred Stock Issuance"). The Class A Preferred Stock and the Class B Preferred Stock will have no voting rights, but in all other respects will have the same rights to dividends, distributions and other economic benefits (other than a liquidation preference as to par value) as the Shares. Following the Preferred Stock Issuance, except as to the Shares so exchanged for the shares of Class A Preferred Stock and Class B Preferred Stock, all the Shares of the Company will remain issued and outstanding. Shares of the Class A Preferred Stock and the Class B Preferred Stock (i) are expected to be issued if all the conditions to completion of the Merger have been satisfied, (ii) are

not expected to be certificated, (iii) are not expected to be registered under the Exchange Act or listed on any securities exchange or over-the-counter quotations system and (iv) are expected to be subject to significant restrictions on transfer.

The timing of the Preferred Stock Issuance will depend on whether, following consummation of the purchase by Purchaser of Shares after the close of, and pursuant to, the Offer (the time of such purchase is referred to herein as the "Tender Offer Purchase Time"), Purchaser owns a number of Shares that, not including the Shares owned by the Non-Tendering Stockholders, equals more than 90% of the outstanding Shares (the foregoing quantity is referred to herein as the "Threshold Quantity").

If Purchaser does obtain the Threshold Quantity, then shortly after the Tender Offer Purchase Time the Company is obligated to effect the Preferred Stock Issuance. In that case, Purchaser, after giving effect to the Preferred Stock Issuance, would own more than 90% of the outstanding voting stock of the Company, and would therefore be eligible to effect the Merger without a stockholders' meeting in accordance with the short-form merger provisions of Maryland law. Maryland law requires a 30-day notice to minority stockholders of a short-form merger. Accordingly, the Merger would take place approximately one month after the Tender Offer Purchase Time.

On the other hand, if Purchaser does not obtain the Threshold Quantity, then as soon as possible following the Tender Offer Purchase Time the Company will mail to its stockholders an information statement, conforming to the requirements of Schedule 14C under the Exchange Act, regarding a special meeting of the Company's stockholders to be held to consider approval of the Merger. (Proxies are not expected to be solicited because, to the extent the Minimum Condition is fulfilled, the Purchaser, together with the Non-Tendering Stockholders, will control sufficient voting power to approve the Merger.) Because of timing requirements under federal and Maryland law, the special meeting of stockholders will not take place until a number of weeks following the Tender Offer Purchase Time. If the Merger is approved at the special meeting, then promptly thereafter, the Company will effect the Preferred Stock Issuance, and shortly thereafter consummate the Merger.

The Merger. As soon as practicable after the satisfaction or waiver of the conditions to the Merger, the Company will be merged with and into the Purchaser, as a result of which the separate corporate existence of the Company will cease and Purchaser will continue as the "Surviving Corporation." The Effective Time will occur at (i) the date and time that Articles of Merger and a Certificate of Merger, in such forms as are required by, and executed in accordance with, the relevant provisions of Maryland Law and Delaware Law, respectively (the "Certificates of Merger"), are duly accepted for record (x) by the State Department of Assessments and Taxation of Maryland pursuant to the MGCL and (y) by the Secretary of State of the State of Delaware for filing pursuant to the Delaware General Corporation Law; or (ii) such later time as Purchaser and the Company may agree upon and set forth in the Certificates of Merger (but not to exceed 30 days after the Certificates of Merger are accepted). The Surviving Corporation shall continue its corporate existence under the laws of the State of Delaware. In the Merger, (A) each outstanding Share (other than (i) Shares held by Marriott, Purchaser or any other subsidiary of Marriott or held by any subsidiary of the Company, all of which Shares will be canceled and retired without any payment with respect thereto, and, if dissenters' rights are available to Stockholders, Shares with respect to which a holder properly exercises such holder's dissenters' rights under the MGCL) will be converted into the right to receive the Offer Price, without interest thereon (the "Cash Merger Consideration"), (B) each outstanding share of Class A Preferred Stock will be converted into Marriott Shares at an exchange ratio of 0.4484 per share, based on $13.00 divided by $28.99375, which is the average of the closing trading prices of Marriott Shares during the ten full trading days prior to the date of the Merger Agreement, and (C) each outstanding share of Class B Preferred Stock will be converted into Marriott Shares at an exchange ratio of 0.4829 per share, based on $14.00 divided by $28.99375, which is the average of the closing trading prices of Marriott Shares during the ten full trading days prior to the date of the Merger Agreement. The Marriott Shares to be issued in the Merger will be restricted stock, the transfer of which will be subject to restrictions under federal and Delaware law, and to the provisions of the Stockholder Agreements. For more information on the Marriott Shares to be issued in connection with the Merger, and the restrictions on

transfer thereof, see the description of "Stockholder Agreements" in this Section. The Certificate of Incorporation of Purchaser in effect at the Effective Time will be the Certificate of Incorporation of the Surviving Corporation until amended in accordance with applicable law. The Bylaws of Purchaser in effect at the Effective Time shall be the Bylaws of the Surviving Corporation until amended in accordance with applicable law. The directors of Purchaser at the Effective Time will be the initial directors of the Surviving Corporation until their successors are duly elected and qualified, and the officers of the Company at the Effective Time will be the initial officers of the Surviving Corporation until replaced in accordance with the Bylaws of the Surviving Corporation.

Stockholders' Meeting. A special meeting of stockholders of the Company will be held to consider approval of the Merger if the Purchaser does not obtain the Threshold Quantity at the Tender Offer Purchase Time. If the Threshold Quantity is not obtained, the Merger Agreement provides that the Company, acting through the Board, will call a special meeting of its stockholders to be held as promptly as practicable after the Tender Offer Purchase Time. As a result of certain timing requirements under federal and Maryland law, the special meeting of stockholders would not take place until a number of weeks following the Tender Offer Purchase Time. Under the Stockholder Agreements, the Non-Tendering Stockholders have agreed to vote all Shares owned by them in favor of the Merger. To the extent that the Minimum Condition is fulfilled, the Purchaser, together with the Non-Tendering Stockholders, will control sufficient voting power to approve the Merger; accordingly, proxies are not expected to be solicited. If the Merger is approved at the special meeting, then promptly thereafter the Company will effect the Preferred Stock Issuance, and shortly thereafter will consummate the Merger.

If the Purchaser does obtain the Threshold Quantity, the Company will avail itself of the short-form merger provisions of Maryland law, and the Merger will be effected as soon as possible under the MGCL, which is expected to be approximately one month after the Tender Offer Purchase Time, without a special meeting of the Company's stockholders.

Representations and Warranties. The Merger Agreement contains certain customary representations and warranties of the parties thereto. These include representations and warranties of the Company with respect to corporate existence and power, capitalization, subsidiaries, corporate authorization relative to the Merger Agreement, governmental consents and approvals, Commission reports, financial statements, documents relating to the Offer and the Merger, and other matters. Marriott and Purchaser have also made certain representations and warranties with respect to corporate existence and power, corporate authorization relative to the Merger Agreement, governmental consents and approvals, documents relating to the Offer and the Merger, the availability of funds to finance the Offer and the Merger, Commission reports and other matters.

Conduct of Business Pending the Merger. The Company has agreed that, prior to the consummation of the Merger, unless Marriott shall otherwise agree in writing, or as otherwise contemplated in the Merger Agreement, each of the Company and each of its subsidiaries will (i) conduct its business and operations only in the ordinary course of business consistent with past practice; (ii) use reasonable efforts to preserve intact the business organization, goodwill, rights, licenses, permits and franchises of the Company and its subsidiaries and maintain its existing relationships with customers, suppliers and other persons having business dealings with them; (iii) use reasonable efforts to keep in full force and effect adequate insurance coverage and maintain and keep its properties and assets in good repair, working order and condition, normal wear and tear excepted; (iv) not amend or modify its respective charter or certificate of incorporation, by-laws, partnership agreement or other charter or organization documents; (v) except for the Preferred Stock Issuance, not authorize for issuance, issue, sell, grant, deliver, pledge or encumber or agree or commit to issue, sell, grant, deliver, pledge or encumber any shares of any class or series of capital stock of the Company or any of its subsidiaries or any other equity or voting security or equity or voting interest in the Company or any of its subsidiaries, any securities convertible into or exercisable or exchangeable for any such shares, securities or interests, or any options, warrants, calls, commitments, subscriptions or rights to purchase or acquire any such shares, securities or interests (other than issuances of Shares upon exercise of stock options granted prior to the date of the Merger Agreement to directors, officers, employees and consultants of the Company in accordance with the Company option plan as currently in effect); (vi) not (a) split, combine or reclassify any shares of its stock or

issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its stock, (b) in solely the case of the Company, declare, set aside or pay any dividends on, or make other distributions in respect of, any of the Company's stock, or (c) except as required in connection with the Preferred Stock Issuance, repurchase, redeem or otherwise acquire, or agree or commit to repurchase, redeem or otherwise acquire, any shares of stock or other equity or debt securities or equity interests of the Company or any of its subsidiaries; (vii) not amend or otherwise modify the terms of any stock options or the Company option plan, the effect of which shall be to make such terms more favorable to the holders thereof or persons eligible for participation therein; (viii) other than regularly scheduled seniority increases in the ordinary course of business consistent with past practice, not increase the compensation payable or to become payable to any directors, officers or employees of the Company or any of its subsidiaries, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director or officer of the Company or any of its subsidiaries, or establish, adopt, enter into or amend in any material respect or take action to accelerate any material rights or benefits under any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee of the Company of any of its subsidiaries; (ix) not acquire or agree to acquire (including, without limitation, by merger, consolidation, or acquisition of stock, equity securities or interests, or assets) any corporation, partnership, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets of any other person outside the ordinary course of business consistent with past practice or any interest in any real properties (whether or not in the ordinary course of business); (x) not incur, assume or guarantee any indebtedness for borrowed money (including draw-downs on letters or lines of credit) or issue or sell any notes, bonds, debentures, debt instruments, evidences of indebtedness or other debt securities of the Company or any of its subsidiaries or any options, warrants or rights to purchase or acquire any of the same, except for (a) renewals of existing bonds and letters of credit in the ordinary course of business not to exceed $100,000 in the aggregate; and (b) advances, loans or other indebtedness in the ordinary course of business consistent with past practice in an aggregate amount not to exceed $100,000; (xi) not sell, lease, license, encumber or otherwise dispose of, or agree to sell, lease, license, encumber or otherwise dispose of, any material properties or assets of the Company or any of its subsidiaries; (xii) not authorize or make any capital expenditures (including by lease) in excess of $100,000 in the aggregate for the Company and all of its subsidiaries; (xiii) not make any material change in any of its accounting or financial reporting (including tax accounting and reporting) methods, principles or practices, except as may be required by generally accepted accounting principles; (xiv) not make any material tax election or settle or compromise any material United States or foreign tax liability; (xv) except in the ordinary course of business consistent with past practice, not amend, modify or terminate certain specified contracts or waive, release or assign any material rights or claims thereunder; (xvi) not adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its subsidiaries; (xvii) not take any action that would, or would be reasonably likely to, result in any of the representations and warranties set forth in the Merger Agreement not being true and correct in any material respect or (except with respect to certain conduct toward other potential acquirers, as permitted under the Merger Agreement) any of the conditions to the Offer set forth in Article 7 of the Merger Agreement or any of the conditions to the Merger set forth in Article 8 of the Merger Agreement not being satisfied; and (xviii) except as to clauses (i), (ii) and (iii) of this paragraph, not agree or commit in writing or otherwise to do any of the foregoing.

Indemnification of Directors and Officers. The Merger Agreement provides that, from the Effective Time through the third anniversary thereof, the Surviving Corporation shall cause its Certificate of Incorporation and Bylaws to continue to provide indemnification provisions for the benefit of persons who have served as directors or officers of the Company prior to the Effective Time comparable to such provisions as are currently contained in the Company's charter and bylaws. In the event that the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and the Surviving Corporation is not the continuing or surviving entity of such consolidation or merger or (ii) transfers all or substantially all of its assets, then, in each case, proper provision shall be made for the continuing or surviving entity of such consolidation or merger to assume these indemnification obligations. In addition, the Surviving Corporation, or

Marriott or one of Marriott's other subsidiaries, shall obtain and maintain in effect for not less than three years after the Effective Time, insurance or self-insurance coverage substantially equivalent to the Company's current directors' and officers' liability insurance policies, with no lapse in coverage and on similar terms and conditions with respect to all matters, including the Offer and the Merger, occurring prior to, and including, the Effective Time.

Conditions to the Merger. The obligation of each of the Company, Marriott and Purchaser to consummate the Merger is subject to the satisfaction or waiver of each of the following conditions: (i) the Merger Agreement, the Preferred Stock Issuance, the Merger and the other transactions contemplated by the Merger Agreement shall have been approved by all necessary corporate action of the Company, including, if necessary, adoption by the requisite vote of the stockholders of the Company; (ii) no court or tribunal, or administrative, governmental or regulatory body, agency or authority shall have enacted, issued, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order which is in effect and which (x) makes the issuance of the Marriott Shares in exchange for the Class A Preferred Stock or the issuance of the Marriott Shares in exchange for the Class B Preferred Stock or the payment of the Cash Merger Consideration illegal or otherwise prohibits or restricts consummation of the Merger or any of the other applicable transactions contemplated by the Merger Agreement, (y) imposes material limitations on the ability of Marriott to acquire or hold or to exercise any rights of ownership of the Surviving Corporation, or effectively to manage or control the Surviving Corporation and its business, assets and properties or (z) has a material adverse effect on the Company; (iii) any waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), shall have terminated or expired and any other governmental or regulatory notices or approvals required with respect to the transactions contemplated by the Merger Agreement shall have been either filed or received; (iv) Purchaser shall have purchased Shares pursuant to the Offer and (v) the Merger Agreement and each of the Stockholder Agreements shall remain in effect and no Non-Tendering Stockholder shall have defaulted under any of the provisions of the applicable Stockholder Agreement.

Other Potential Acquirers. Pursuant to the Merger Agreement, the Company has agreed not to encourage, solicit, participate in or initiate discussions or negotiations with or provide any non-public information to any person in connection with any proposal for an acquisition of the Company by any party other than Marriott, Purchaser or their affiliates (a "Third Party Acquisition"). After the Tender Offer Purchase Time, the Company will not consider any potential Third Party Acquisition for any reason. On the other hand, prior to the Tender Offer Purchase Time, if the Company receives an unsolicited bona fide proposal (or an unsolicited proposal, offer or indication that the Company in good faith believes may lead to such a proposal) to acquire (directly or indirectly, for consideration consisting of cash and/or securities) more than 50% of the Shares then outstanding or all or substantially all of the assets of the Company and otherwise on terms which the Board by a majority vote determines in its good faith judgment to be more favorable to the Company's stockholders than the Merger and the Offer (a "Superior Proposal"), following written notice to Marriott and Purchaser, the Company may provide the person making the Superior Proposal with the same non-public information that the Company supplied to Marriott. The Company has agreed to promptly notify Marriott, before furnishing such non-public information, in the event it receives any proposal or inquiry regarding a Third Party Acquisition, including the terms and conditions of the proposal therefor and the identity of the party submitting such proposal, and to advise Marriott from time to time of the status of any material developments concerning the same. The Company may only accept a proposal regarding a Third Party Acquisition if (i) the Board determines in its good faith judgment that it is required to do so in order to comply with its fiduciary duties, (ii) the Company has provided reasonable written notice to Marriott specifying the material terms and conditions of such proposed Third Party Acquisition and identifying the person making such proposal, (iii) Marriott has not, within three business days of receiving such notice, made an offer which a majority of the Board determines in its good faith judgment is as favorable to the Company's stockholders as such proposal, (iv) either the Company has made a liquidated damages payment to Marriott of $4 million (the "Break-Up Fee") or Purchaser has exercised its Options (defined below) and (v) the Merger Agreement has been terminated by its terms.

Termination. The Merger Agreement may be terminated at any time prior to the Effective Time, whether before or after stockholder approval and adoption thereof (if necessary), by the mutual written consent of Marriott, Purchaser and the Company. In addition, the Merger Agreement may be terminated by Marriott or Purchaser, if either Marriott or Purchaser (i) terminates the Offer due to an occurrence or circumstance resulting in a failure to satisfy the conditions to the Offer (see "THE TENDER OFFER--15. Certain Conditions to the Offer"), or (ii) declines to complete the Merger due to an occurrence or circumstance resulting in a failure to satisfy the conditions to the Merger (see above). Marriott or Purchaser may also terminate the Merger Agreement if the Company breaches any obligation under the Merger Agreement (and fails to cure the breach within ten full business days) and the breach causes a material adverse effect on the Company or the completion of the Merger, or causes a material delay in that completion. The Company has the right to terminate the Merger Agreement only before the Tender Offer Purchase Time, if: (i) without any breach on the Company's part, Marriott or Purchaser terminates the Offer without purchasing any Shares; (ii) the Company receives a Superior Proposal, Marriott fails within three business days to match that Superior Proposal, and either the Company pays Marriott the Break-Up Fee or Purchaser exercises its Options; (iii) Marriott or Purchaser makes a material breach of its representations and warranties in the Merger Agreement, and that breach causes a material adverse effect on the purchase of Shares pursuant to the Offer, or causes a material delay in that purchase; or (iv) Marriott or Purchaser breaches a covenant or other agreement in the Merger Agreement (and fails to cure the breach by the earlier of (x) ten days from the breach or (y) two business days prior to the Expiration Date), and that breach causes a material adverse effect on completion of the Offer or causes a material delay in that completion. In the event that Marriott or Purchaser terminates the Offer due to a proposed Third Party Acquisition, and there is either (i) a breach by the Company of the obligations imposed by the Merger Agreement on the Company's conduct vis-a-vis the third-party bidder or (ii) acceptance by the Company of a Superior Proposal, then either the Company must pay the Break-Up Fee or the Purchaser may exercise its Options. Other than the two circumstances listed above in which the Break-Up Fee may be payable (in the alternative to Purchaser's exercise of its Options), the Merger Agreement makes no provision for liquidated damage payments in the event of termination.

Amendment and Waiver. The Merger Agreement can only be amended by a written agreement executed by the parties.

Expenses. Except as described in the following sentence, each party will bear its own expenses in connection with the Offer and the Merger. Upon termination of the Merger Agreement under certain circumstances, the Company has agreed to pay Marriott the Break-Up Fee to reimburse Marriott for its costs and expenses in connection with the Offer and the Merger.

Interests of Certain Persons in the Merger

Except as described below, each outstanding stock option (a "stock option") granted under the Company's 1997 Incentive and Stock Option Plan (the "Company Option Plan") will vest in full and Purchaser shall pay to the holder of each stock option an amount equal to the excess, if any, of the Offer Price over the exercise price per Share of such stock option (less the amount of any federal, state or local taxes required to be withheld) multiplied by the number of Shares subject to such stock option. If and to the extent required by the terms of the Company Option Plan or the terms of any stock option granted thereunder, the Company shall cooperate with Purchaser to obtain the consent of each holder of the stock options, including by causing the Compensation Committee of the Board to interpret the Company Option Plan, to the extent possible, so as to effectuate the vesting and payment of the stock options.

The three Senior Executives of the Company have agreed to enter into employment agreements following the Merger for a term of three years. These officers will have annual base salaries of $175,000, bonuses of from 25 to 40 percent of base salary depending on performance, and stock option and deferred stock grants in accordance with Marriott's usual policies for executives of their level. In addition, each of these officers will receive a special grant of an option to acquire 50,000 shares of Marriott stock which will vest over seven years only if specified performance goals are attained but in any event will vest on the eighth anniversary of the date

of grant. Also, the three Senior Executives will be entitled to receive supplemental cash bonuses during the first three years of up to $150,000 per year if the performance goals are exceeded by specified amounts.

Rights of Stockholders in the Merger

It is the intention of the Company, Marriott and the Purchaser that no dissenters' rights will be available to stockholders following the Merger. Under Maryland law, if the record date for a special meeting of stockholders held to consider approval of the Merger or for the notice required to be sent to minority stockholders if the Company effects a short-form merger (the foregoing, collectively, the "Record Date"), falls on a date when the Shares are listed on the Nasdaq Stock Market, then no dissenters' rights will be available following the Merger. The Company has agreed that, if possible, it will set the Record Date so as to preclude the availability of dissenters' rights.

If, contrary to the parties' intentions, dissenters' rights are available in connection with the Merger pursuant to Title 3, Subtitle 2 of the MGCL, Shares that are issued and outstanding immediately prior to the Effective Time and that are held by stockholders who did not vote in favor of the Merger and who comply with all of the relevant provisions of Title 3, Subtitle 2 of the MGCL (the "Dissenting Shares") shall not be converted into or be exchangeable for the right to receive the Cash Merger Consideration, but instead shall be converted into the right to receive such consideration as may be determined to be due to such stockholders pursuant to Title 3, Subtitle 2 of the MGCL, unless and until such holders shall have failed to perfect or shall have effectively withdrawn or lost their rights to appraisal under the MGCL. If any such holder shall have failed to perfect or shall have effectively withdrawn or lost such right, such holder's Shares shall thereupon be deemed to have been converted into and to have become exchangeable for the right to receive, as of the Effective Time, the Cash Merger Consideration without any interest thereon. The Company shall give Marriott (i) prompt notice of any written demands for appraisal of Shares received by the Company and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such demands. The Company shall not, without the prior written consent of Marriott, voluntarily make any payment with respect to, or settle or offer to settle, any such demands.

THE FOREGOING SUMMARY OF THE RIGHTS OF DISSENTING STOCKHOLDERS DOES NOT PURPORT TO BE A COMPLETE STATEMENT OF THE PROCEDURES TO BE FOLLOWED BY STOCKHOLDERS DESIRING TO EXERCISE ANY AVAILABLE DISSENTERS' RIGHTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF TITLE 3, SUBTITLE 2, INCLUDED HEREWITH IN ANNEX A. THE PRESERVATION AND EXERCISE OF APPRAISAL RIGHTS ARE CONDITIONED ON STRICT ADHERENCE TO THE APPLICABLE PROVISIONS OF THE MGCL.

Stockholder Agreements

The following summary of the material terms of the Stockholder Agreements is qualified in its entirety by reference to the copies of the Stockholder Agreements filed as Exhibits to the Schedule 14D-1 and incorporated herein by reference.

Grant of Options. In connection with the execution of the Merger Agreement, the three Senior Executives and two other employees of the Company (the "Option Grantors"), who beneficially own Shares of the Company (the "Option Shares"), entered into Stockholder Agreements with Marriott and Purchaser pursuant to which each Option Grantor has granted to Purchaser an irrevocable option (each, an "Option") to purchase all Shares held of record by such Option Grantor. After the Tender Offer Purchase Time, Purchaser may exercise the Options, in whole or in part, at any time and from time to time, following the occurrence of any of the following (each, a "Purchase Event"): (i) beneficial ownership of more than 20% of the outstanding capital stock of the Company (or rights to acquire such capital stock of the Company) shall have been acquired by any person or "group" other than Purchaser, any affiliate of Purchaser or one or more of the Option Grantors; (ii) the Company shall have entered into a definitive agreement or approved or recommended any

proposal which provides for the acquisition of 20% or more of the outstanding capital stock of the Company or substantially all of the assets of the Company by any person or group other than Purchaser, an affiliate of Purchaser or one or more of the Option Grantors; (iii)(A) the failure of the Company's stockholders to approve the Merger Agreement or the transactions contemplated by the Merger Agreement at a meeting called to consider such Merger Agreement, if such meeting shall have been preceded by (x) the public announcement by any person or group (other than Purchaser or an affiliate of Purchaser) of an offer or proposal to acquire, merge or consolidate with the Company, or (y) the Board publicly withdrawing or modifying, or publicly announcing its intent to withdraw or modify, its recommendation that the stockholders of the Company approve the transactions contemplated by the Merger Agreement, as prohibited by Section 5.4(b) of the Merger Agreement; or (B) the acceptance by the Board of, or the public recommendation by the Board that the stockholders of the Company accept, an offer or proposal from any person or group (other than Purchaser or an affiliate of Purchaser), to acquire 20% or more of the outstanding capital stock of the Company or for a merger or consolidation or any similar transaction involving the Company, as prohibited by Section 5.4(b) of the Merger Agreement; (iv) a proposal made by a third party to the Company, its affiliates or their respective officers, directors, employees, representatives or agents, as described in Section 5.4 of the Merger Agreement, resulting in a breach by the Company of the covenant and obligation contained in that Section 5.4 and such breach (x) would entitle Purchaser or Marriott to terminate the Merger Agreement pursuant to Section 9.1(b) thereof and (y) shall not have been cured prior to the date that Purchaser duly gives notice to the Option Grantor of its desire to exercise an Option pursuant to the Stockholder Agreement; or (v) any breach by an Option Grantor of the Stockholder Agreement. Options not exercised shall expire and be of no further force and effect upon the earliest to occur of: (i) the Effective Time, (ii) five months after the first occurrence of a Purchase Event or (iii) termination of the Merger Agreement in accordance with its terms.

Voting of Shares. Each of the Non-Tendering Stockholders has agreed that during the period beginning at the Tender Offer Purchase Time and continuing until the first to occur of the Effective Time or the termination of the Merger Agreement in accordance with its terms, at any meeting of the holders of the Shares, however called, or in connection with any written consent of the holders of the Shares, such Non-Tendering Stockholder will vote (or cause to be voted) the Shares held of record or beneficially owned by such Non-Tendering Stockholder, whether owned on the date hereof or hereafter acquired, (i) in favor of approval of the Merger Agreement, the transactions contemplated by the Merger Agreement, and any actions required in furtherance thereof and of the Stockholder Agreements (including the election of designees of Marriott as directors of the Company); (ii) against any action or agreement that is intended, or could reasonably be expected, to impede, interfere with, or prevent the Merger or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company or any of its subsidiaries under the Merger Agreement or the Stockholder Agreements; and (iii) except as specifically requested in writing in advance by Marriott or Purchaser, against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement and the Stockholder Agreements): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any of its subsidiaries or affiliates; (B) a sale, lease, transfer or disposition by the Company or any of its subsidiaries of any assets outside the ordinary course of business or any assets which in the aggregate are material to the Company and its subsidiaries taken as a whole, or a reorganization, recapitalization, dissolution or liquidation of the Company or any of its subsidiaries or affiliates; (C)(1) any change in the management of the Company or in a majority of the persons who constitute the board of directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's charter or By-Laws; (3) any other material change in the Company's or any of its subsidiaries' corporate structure or business; or (4) any other action that, in the case of each of the matters referred to in clauses (C)(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone or materially adversely affect the Offer, the Preferred Stock Issuance, the Merger or the other transactions contemplated by the Stockholder Agreements and the Merger Agreement. No Non-Tendering Stockholder is permitted to enter into any agreement or understanding with any person the effect of which would be inconsistent or violative of the provisions and agreements contained in the Stockholder Agreements.

Irrevocable Proxy. Effective from the Tender Offer Purchase Time, each of the five Option Grantors, who own an aggregate of 45.7% of the Company's Shares, has agreed to grant to and appoint Purchaser and each of certain officers of Purchaser, in their respective capacities as officers of Purchaser, and their respective successors and designees, such Option Grantor's true and lawful irrevocable (until the Termination Date) proxy and attorney-in-fact (with full power of substitution) to vote the Shares, or to grant a consent or approval in respect of such Shares.

Restriction on Transfer, Proxies and Non-Interference. Each Non-Tendering Stockholder has agreed not, directly or indirectly, to: (i) tender his, her or its Shares in the Offer or any other tender offer for Company Shares; (ii) except as contemplated by the Stockholder Agreements or the Merger Agreement, otherwise offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of such Non-Tendering Stockholder's Shares or any interest therein; (iii) grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iv) take any action that would make any representation or warranty made by such Non-Tendering Stockholder untrue or incorrect or have the effect of preventing or disabling such Non-Tendering Stockholder from performing such Non-Tendering Stockholder's obligations under the applicable Stockholder Agreement.

Other Potential Acquirers. Each Non-Tendering Stockholder (i) is required to immediately cease any existing discussions or negotiations, if any, with any parties conducted before the date of the Stockholder Agreements with respect to any acquisition of all or any material portion of the assets of, or any equity interest in, the Company or any of its subsidiaries or any business combination with the Company or any of its subsidiaries, and (ii) has agreed, from and after the date of the Stockholder Agreements until termination of the Merger Agreement, unless and until the Company is permitted to take such actions under the terms of the Merger Agreement, not directly or indirectly to initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any such transaction or acquisition, or agree to or endorse any such transaction or acquisition, or authorize or permit any of such Non-Tendering Stockholder's agents to do so, and such Non-Tendering Stockholder shall promptly notify Marriott or Purchaser of any proposal and shall provide a copy of any such written proposal and a summary of any oral proposal to Marriott or Purchaser immediately after receipt thereof (and shall specify the material terms and conditions of such proposal and identify the person making such proposal) and thereafter keep Marriott or Purchaser advised of any development with respect thereto.

Representations and Warranties. The Stockholder Agreements contain certain customary representations and warranties of the parties thereto, including, without limitation, representations and warranties by the Non-Tendering Stockholders as to ownership of Shares, power and authority and investment intention.

Termination. Generally, the Stockholder Agreements expire upon the earlier of (a) termination of the Merger Agreement in accordance with its terms or (b) the Effective Time.

Restrictive Covenants of Certain Executive Officers. The Stockholder Agreement with the Senior Executives contains restrictive covenants, pursuant to which each of the Senior Executives agreed that, for a period of seven years from the Effective Time of the Merger (the "Restriction Period"), they will not carry on or participate in a business that competes (a "Competing Business") with a business conducted by the Company as of the date of the Stockholder Agreement (a "Company Business") within 100 miles of a location at which Marriott or its affiliates is conducting the Company Business. The Senior Executives also agreed not to, during the Restriction Period and without the written consent of Marriott, (i) solicit or offer employees of Marriott or its affiliates employment in any business, (ii) solicit business for a Competing Business from any customer of a Company Business, and (iii) provide or arrange for or assist in the provision of services by a

Competing Business to any customer of a Company Business. The Senior Executives further agreed not to disclose confidential information of the Company to Competing Businesses. The Stockholder Agreement with Benny Anderson contains restrictive covenants similar to those contained in the Stockholder Agreement with the Senior Executives, except that the Restriction Period for Benny Anderson is three years from the date of termination of his employment with Purchaser.

13. DIVIDENDS AND DISTRIBUTIONS

According to the Company's 1997 Annual Report on Form 10-K, on June 13, 1997, prior to its initial public offering, the Company declared a dividend related to its S corporation status. The dividend consisted of approximately $1.1 million representing prior years' capital contributions and a final S corporation distribution totaling approximately $4.5 million equal to the undistributed cumulative earnings. The Company has paid no other cash dividends and, according to the 1997 Annual Report on Form 10-K, intends to continue this policy for the foreseeable future. Pursuant to the terms of the Merger Agreement, the Company will not split, combine or reclassify the outstanding Shares or declare, set aside or pay any dividend payable in cash, stock or property with respect to the Shares.

If on or after the date of the Merger Agreement the Company should declare or pay any cash or stock dividend or other distribution on, or issue any rights with respect to, the Shares, payable or distributable to stockholders of record on a date prior to the transfer to the name of Purchaser or its nominees or transferees on the Company's stock transfer records of the Shares purchased pursuant to the Offer, then, without prejudice to Purchaser's rights under Section 15 of this Offer to Purchase, the purchase price per Share payable by Purchaser shall be adjusted accordingly.

14. EFFECTS OF THE OFFER ON THE MARKET FOR SHARES; NASDAQ STOCK MARKET AND EXCHANGE ACT REGISTRATION

The purchase of Shares by Purchaser pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and the number of holders of Shares and could thereby adversely affect the liquidity and market value of the remaining publicly held Shares.

Nasdaq Stock Market Inclusion

Marriott currently intends to cause the Company to terminate the inclusion of the Shares on the Nasdaq Stock Market following the Tender Offer Purchase Time and the Record Date. Inclusion of the Shares on the Nasdaq Stock Market is voluntary, so the Company may terminate that inclusion at any time. In addition, according to the Nasdaq Stock Market's current published guidelines, the Shares would not be eligible to be included for continued listing if, among other things, the number of publicly held Shares fell below 750,000, the number of holders of Shares fell below 400, the aggregate market value of such publicly held Shares fell below $5,000,000, or the net tangible assets fell below $4,000,000. If these standards were not met, the Shares would no longer be admitted to quotation on the Nasdaq Stock Market. Depending on the number of Shares acquired pursuant to the Offer, price quotations for the Shares may no longer meet the requirements for any continued trading over-the-counter, including the Nasdaq "additional list" or a "local list." If, as a result of the purchase of Shares pursuant to the Offer or otherwise, trading of the Shares over-the-counter is discontinued, the liquidity of and market for the Shares could be adversely affected. Any reduction in the number of Shares that might otherwise trade publicly may have an adverse effect on the market price for or marketability of the Shares and may cause future prices to be less than the Offer Price.

Margin Regulations

The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such Shares for the purpose of buying, carrying or trading in securities ("Purpose Loans"). Depending upon factors similar to those described above regarding the continued

listing, public trading and market quotations of the Shares, it is possible that, following the purchase of the Shares pursuant to the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and therefore could no longer be used as collateral for Purpose Loans made by brokers.

Exchange Act Registration

The Shares are currently registered under the Exchange Act. Marriott currently intends to seek to cause the Company to terminate the registration of the Shares under the Exchange Act as soon after the Tender Offer Purchase Time as the requirements for termination of registration are met. The registration may be terminated upon certification by the Company to the Commission that there are fewer than 300 record holders of the Shares. The termination of the registration of the Shares under the Exchange Act would take effect 90 days after the Company's certification to the Commission as to the number of record holders of Shares, although the periodic reporting requirements under the Exchange Act would terminate on the date of the certification. The termination of such reporting requirements would substantially reduce the information required to be furnished by the Company to holders of Shares and to the Commission. When effective, the deregistration would make certain other provisions of the Exchange Act inapplicable to the Shares. In addition, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for Nasdaq Stock Market or Small Cap Market reporting.

15. CERTAIN CONDITIONS OF THE OFFER

Consummation of the Offer is conditioned upon satisfaction of the Minimum Condition. In addition, the Merger Agreement permits Purchaser to terminate the Offer, and have no further obligations to the Company (other than to comply with applicable law) with respect to the Offer, if the Tender Offer Purchase Time has not occurred by March 1, 1999. Furthermore, Purchaser shall not be required to accept for payment or (subject to any applicable rules and regulations of the Commission, including Rule 14e-l(c) under the Exchange Act relating to Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer) pay for, and may delay the acceptance for payment of, or (subject to the restrictions referred to above) the payment for, any tendered Shares, and may amend the Offer consistent with the terms of the Merger Agreement, including extending the deadline for tendering Shares, or terminate the Offer, if any of the following events shall occur:

(A) from the date of the Merger Agreement until the Tender Offer Purchase Time, there shall have occurred any change, event, occurrence or circumstance which individually or in the aggregate, has a material adverse effect on the Company (except for changes, events, occurrences or circumstances with respect to general economic or lodging industry conditions);

(B) from the date of the Merger Agreement until the Tender Offer Purchase Time, any governmental entity or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (and if temporary or preliminary, not vacated within five business days of its entry) which is in effect at the Tender Offer Purchase Time and which (1) makes the acceptance for payment of, or the payment for, some or all of the Shares illegal or otherwise prohibits or restricts consummation of the Offer, the Merger or any of the other transactions contemplated thereby, (2) imposes material limitations on the ability of Purchaser to acquire or hold or to exercise any rights of ownership of the Shares, or effectively to manage or control the Company and its business, assets and properties or (3) has a material adverse effect on the Company; provided, however, that the parties shall use reasonable efforts (subject to the proviso that in no event shall any party hereto take, or be required to take, any action that could reasonably be expected to have a material adverse effect on the Company or that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on Marriott) to cause any such decree, judgment or other order to be vacated or lifted prior to March 1, 1999;

(C) the representations and warranties of the Company set forth in the Merger Agreement shall not (i) have been true and correct in any material respect on the date of the Merger Agreement or (ii) be true and correct in any material respect as of the scheduled expiration date (as such date may be extended) of the Offer as though made on or as of such date or the Company shall have breached or failed in any respect to perform or comply with any material obligation, agreement or covenant required by the Merger Agreement to be performed or complied with by it except, in each case with respect to clause (ii), (1) for changes specifically permitted by the Merger Agreement and (2) (x) for those representations and warranties that address matters only as of a particular date which are true and correct as of such date or (y) where the failure of representations and warranties (without regard to materiality qualifications therein contained) to be true and correct, or the performance or compliance with such obligations, agreements or covenants, would not, individually or in the aggregate, have a material adverse effect on the Company;

(D) from the date of the Merger Agreement until the Tender Offer Purchase Time, the Merger Agreement shall have been terminated in accordance with its terms;

(E) from the date of the Merger Agreement until the Tender Offer Purchase Time, there shall have occurred (i) a breach by the Company of any of its obligations under Section 5.4 of the Merger Agreement (relating to other potential acquirers), (ii) an acceptance by the Company of a Superior Proposal, or (iii) a termination or a breach by any Non-Tendering Stockholder of the applicable Stockholder Agreement;

(F) within five days after its receipt of a comfort letter and the working papers associated therewith from the independent certified public accountants of the Company, Marriott or Purchaser has notified the Company that such letter or working papers revealed a material misstatement in the financial information set forth in the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1998 as filed with the Commission on November 13, 1998;

(G) from the date of the Merger Agreement until the Tender Offer Purchase Time, the Board of Directors of the Company shall have withdrawn or modified in a manner adverse to Marriott its approval or recommendation of the Offer, shall have recommended to the Company's stockholders another proposal or offer or shall have adopted any resolution to effect any of the foregoing;

(H) from the date of the Merger Agreement until the Tender Offer Purchase Time, any of the consents, approvals, authorizations, orders or permits required to be obtained by the Company, Purchaser, or their respective subsidiaries in connection with the Merger from, or filings or registrations required to be made by any of the same prior to the Tender Offer Purchase Time with, any governmental entity in connection with the execution, delivery and performance of the Merger Agreement shall not have been obtained or made or shall have been obtained or made subject to conditions or requirements, except where the failure to have obtained or made any such consent, approval, authorization, order, permit, filing or registration or such conditions or requirements could not reasonably be expected to (1) have a material adverse effect on the Company or Marriott or (2) impose material limitations on the ability of Purchaser to acquire or hold or to exercise any rights of ownership of the Shares, or effectively to manage or control the Company and its business, assets and properties; or

(I) from the date of the Merger Agreement until the Tender Offer Purchase Time, there shall have occurred (1) any general suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, Inc., (2) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (3) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States and having a material adverse effect on the Company or materially adversely affecting (or materially delaying) the consummation of the Offer, (4) any limitation or proposed limitation (whether or not mandatory) by any United States governmental authority or agency, or any other event, that materially adversely affects generally the extension of credit by banks or other financial institutions, (5) from the date of the Merger Agreement through the date of termination or expiration of the Offer, a decline of at least 25% in the Standard & Poor's 500 Index or (6) in the case of any of the situations described in clauses (1) through (5) above, existing at the date of the commencement of the Offer, a material acceleration, escalation or worsening thereof;

which, in the reasonable judgment of Purchaser, in any such case, and regardless of the circumstances giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payments.

The foregoing conditions (the "Offer Conditions") are for the sole benefit of Purchaser and may be waived by Purchaser, in whole or in part at any time and from time to time in the sole discretion of Purchaser. The failure by Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

16. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS

General

Except as described below, Marriott is not aware of any license or regulatory permit that appears to be material to the business of the Company and its subsidiaries, taken as a whole, that might be adversely affected by the acquisition of Shares pursuant to the Offer, or of any approval or other action by any governmental, administrative or regulatory agency or authority or public body, domestic or foreign, that would be required for the acquisition or ownership of Shares pursuant to the Offer. Should any such approval or other action be required, it is presently contemplated that such approval or action would be sought except as described below in this Section under "State Takeover Statutes." While, except as otherwise expressly described herein, Marriott does not currently intend to delay acceptance for payment of Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the Company's business or that certain parts of the Company's business might not have to be disposed of in the event that such approvals were not obtained or such other actions were not taken or in order to obtain any such approval or other action, any of which could cause Marriott to decline to accept for payment or pay for any Shares tendered. Marriott's obligation under the Offer to accept for payment and pay for shares is subject to the Offer Conditions, including conditions relating to legal matters discussed in this Section 16.

Antitrust

Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission ("FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The acquisition of Shares pursuant to the Offer is subject to such requirements.

Marriott expects to file a Notification and Report Form with respect to the Offer under the HSR Act as soon as practicable following commencement of the Offer. The waiting period under the HSR Act with respect to the Offer will expire at 11:59 p.m. New York City time, on the 15th day after the date such form is filed, unless early termination of the waiting period is granted. In addition, the Antitrust Division or the FTC may extend such waiting periods by requesting additional information or documentary material from Marriott. If such a request is made with respect to the Offer, the waiting period related to the Offer will expire at 11:59 p.m. New York City time on the 10th day after substantial compliance by Marriott with such request. With respect to each acquisition, the Antitrust Division or the FTC may issue only one request for additional information. In practice, complying with a request for additional information or material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties may engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue. Expiration or termination of applicable waiting periods under the HSR Act is a condition to the obligation to accept for payment and pay for Shares tendered pursuant to the Offer.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the proposed purchase of the Shares pursuant to the Offer. At any time before or after such purchase, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the transaction or seeking divestiture of the Shares so acquired or divestiture of substantial assets of Marriott or the Company. Litigation seeking similar relief could be brought by private parties.

Marriott does not believe that consummation of the Offer and the other transactions contemplated by the Merger Agreement will result in violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Offer and the other transactions contemplated by the Merger Agreement on antitrust grounds will not be made, or if such a challenge is made, what the result will be. See Section 15 for certain conditions to the purchase of the Shares, including conditions with respect to litigation and certain governmental actions.

State Takeover Statutes

The Company is incorporated under the laws of the State of Maryland. Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any person who beneficially owns ten percent or more of the voting power of the corporation's shares or an affiliate or associate (as defined in the MGCL) of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the then-outstanding voting stock of the corporation (an "Interested Stockholder") or an affiliate of such an Interested Stockholder are prohibited for five years after the most recent date on which the Interested Stockholder becomes an Interested Stockholder. Thereafter, any such business combination must be recommended by the board of directors of such corporation and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (b) two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the Interested Stockholder with whom (or with whose affiliate or associate) the business combination is to be effected, unless, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Stockholder for its shares. These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of directors of the corporation prior to the time that the Interested Stockholder becomes an Interested Stockholder. The Company's Board of Directors has declared that the Merger is advisable on substantially the terms and conditions set forth in its resolutions and approved the Merger Agreement and the transactions contemplated thereby, including the Offer, the Preferred Stock Issuance and the Merger, in all respects and such approval constitutes approval of the Offer, the Merger Agreement and the Merger for purposes of state corporate law, and has taken all necessary action, including but not limited to all actions required to render the provisions of Title 3, Subtitle 6 of the MGCL, "Special Voting Requirements", inapplicable to Marriott, Purchaser and the Non-Tendering Stockholders.

The MGCL provides that "Control Shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock owned by the acquiror, by officers or by directors who are employees of the corporation. "Control Shares" are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power in electing directors within one of the following ranges of voting power: (i) one-fifth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control Shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition of Control Shares, subject to certain exceptions. A person who has made or proposes to make a control share acquisition, on satisfaction of certain conditions (including an undertaking to pay expenses), may compel the

board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholder meeting. If voting rights are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the Control Shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting fights for Control Shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (b) to acquisitions approved or exempted by a provision in the charter or bylaws of the corporation adopted before the acquisition of shares. The Company is a party to the Merger and the Merger Agreement, and in addition, the By-Laws of the Company empower the Company's Board of Directors to determine that the provisions of the control share statutes of the MGCL do not apply to any Shares or their owners. The Company's Board of Directors has declared that the Merger is advisable on substantially the terms and conditions set forth in its resolutions and approved the Merger Agreement and the transactions contemplated thereby, including the Offer, the Preferred Stock Issuance and the Merger, in all respects and such approval constitutes approval of the Offer, the Merger Agreement and the Merger for purposes of state corporate law, and has taken all necessary action, including but not limited to all actions required to render the provisions of Title 3, Subtitle 7 of the MGCL, "Voting Rights of Certain Control Shares", inapplicable to Marriott, Purchaser and the Non-Tendering Stockholders.

Title 3, Subtitles 6 and 7 of the MGCL, "Special Voting Requirements" and "Voting Rights of Certain Control Shares," respectively, are referred to collectively as the "Maryland Antitakeover Statutes."

In addition to the foregoing, a number of other states have adopted "takeover" statutes that purport to apply to attempts to acquire corporations that are incorporated in such states, or whose business operations have substantial economic effects in such states, or which have substantial assets, security holders, employees, principal executive offices or places of business in such states.

In Edgar v. MITE Corporation, the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Act, which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that a state may, as a matter of corporate law and, in particular, those laws concerning corporate governance, constitutionally disqualify a potential acquirer from voting on the affairs of a target corporation without prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions, in particular, that the corporation has a substantial number of stockholders in the state and is incorporated there.

Based on the Company's agreements and representations in the Merger Agreement, and other information supplied by the Company, Marriott believes that the Company, Marriott and Purchaser have complied with the Maryland Antitakeover Statutes with respect to the Offer, the Merger and the other transactions contemplated by the Merger Agreement and the Stockholder Agreements. In addition, since the Company's Board of Directors has given its approval, among other things, of such transactions for purposes of the Maryland Antitakeover Statutes, the transactions fully comport with the policy behind those Statutes. Accordingly, the Maryland Antitakeover Statutes should have no effect on the consummation of any of those transactions.

As a separate matter, neither Purchaser nor Marriott has currently complied with any other state takeover statute or regulation. Marriott reserves the right to challenge the applicability or validity of any other state law

purportedly applicable to the Offer, the Preferred Stock Issuance or the Merger and nothing in this Offer to Purchase or any action taken in connection with the Offer, the Preferred Stock Issuance or the Merger is intended as a waiver of such right. If it is asserted that any other state takeover statute is applicable to the Offer, the Preferred Stock Issuance or the Merger and if an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, the Preferred Stock Issuance or the Merger, Marriott might be required to file certain information with, or to receive approvals from, the relevant state authorities, and Marriott might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in consummating the Offer or the merger. In such case, Marriott may not be obliged to accept for payment or pay for any shares tendered pursuant to the Offer.

17. FEES AND EXPENSES

Marriott has retained MacKenzie Partners, Inc. to act as the Information Agent and First Chicago Trust Company of New York to serve as the Depositary in connection with the Offer. The Information Agent and the Depositary each will receive reasonable and customary compensation for their services and be reimbursed for certain reasonable out-of-pocket expenses. Marriott has also agreed to indemnify the Information Agent and the Depositary against certain liabilities and expenses in connection with the Offer, including certain liabilities under the federal securities laws.

Marriott will not pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Shares pursuant to the Offer (other than to the Information Agent). Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by Marriott for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers.

18. MISCELLANEOUS

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. Purchaser may, in its discretion, however, take such action as it may deem necessary to make the Offer in any jurisdiction and extend the Offer to holders of Shares in any such jurisdiction.

No person has been authorized to give any information or to make any representation on behalf of Purchaser not contained herein or in the Letter of Transmittal and, if given or made, such information or representation must not be relied upon as having been authorized. Neither the delivery of this Offer to Purchase nor any purchase pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of Purchaser, Marriott or the Company since the date as of which information is furnished or the date of this Offer to Purchase.

Purchaser and Marriott have filed with the Commission a Tender Offer Statement on Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 under the Exchange Act, furnishing certain additional information with respect to the Offer. In addition, the Company has filed with the Commission a Solicitation/Recommendation Statement on Schedule 14D-9, together with exhibits, pursuant to Rule 14d-9 under the Exchange Act, setting forth the recommendations of the Board with respect to the Offer and the reasons for such recommendations and furnishing certain additional related information. Such Schedules and any amendments thereto, including exhibits, may be inspected and copies may be obtained from the Commission in the manner set forth in Section 7 (except that they will not be available at the regional offices of the Commission).

MI SUBSIDIARY I, INC.

January 12, 1999

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF MARRIOTT AND PURCHASER

The following table sets forth the name, business or residence address, principal occupation or employment at the present time and during the last five years, and the name of any corporation or other organization in which such employment is conducted or was conducted of each executive officer or director of Marriott. Except as otherwise indicated, all of the persons listed below are citizens of the United States of America. Each occupation set forth opposite a person's name, unless otherwise indicated, refers to employment with Marriott. Unless otherwise indicated, the principal business address of each director or executive officer is Marriott International, Inc., 10400 Fernwood Road, Bethesda, Maryland 20857.

NAME, CITIZENSHIP AND CURRENT BUSINESS ADDRESS	PRESENT OCCUPATION OR EMPLOYMENT	MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
J.W. Marriott, Jr.....	Chairman of the Board and Chief Executive Officer since 1997; Director--Marriott since March 1998.	President--Marriott Corporation since 1964; Chief Executive Officer--Marriott Corporation since 1972; Chairman of the Board--Marriott Corporation since 1985; Chairman and Chief Executive Officer--of Sodexho Marriott Services, Inc. (formerly Marriott International, Inc. ("Old Marriott") from 1993 to 1998; Director--Host Marriott Corporation, Host Marriott Services Corporation, General Motors Corporation, and U.S.--Russia Business Council; Member of the Board of Trustees-- Mayo Foundation, National Geographic Society, and Georgetown University; Member--President's Advisory Committee of the American Red Cross, Executive Committee of the World Travel & Tourism Council, Business Council, and the Business Roundtable.
Richard E. Marriott.....	Director	Chairman of the Board--Host Marriott Corporation; Chairman of the Board--First Media Corporation; Director--Host Marriott Services Corporation and Potomac Electric Power Company; Trustee--Gallaudet University, Polynesian Cultural Center, Primary Children's Medical Center, Boys and Girls Clubs of America SE Region, and The J. Willard Marriott Foundation. Member of Board of Trustees--Federal City Council, Marriott Foundation for People with Disabilities, and the Advisory Committee for the International Hotel and Restaurant Association
Henry Cheng Kar-Shun....	Director	Managing Director--New World Development Company Limited since 1989; Chairman--New World Infrastructure Limited and Tai Fook Group Limited; Director--HKR International Limited; Executive Officer-- Chow Tai Fook Enterprises Limited; Chairman

NAME, CITIZENSHIP AND CURRENT BUSINESS ADDRESS	PRESENT OCCUPATION OR EMPLOYMENT	MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
		and Director--Renaissance Hotel Group N.V. from 1995 to 1997; Chairman--Advisory Council for The Better Hong Kong Foundation; Member--Services Promotion Strategy Group; Committee Member--Eighth Chinese People's Political Consultative Committee of the People's Republic of China; Member--Election Committee of the Hong Kong Special Administrative Region; Director--Old Marriott from 1997 to 1998.
Gilbert M. Grosvenor....	Director	Chairman of the Board--National Geographic Society; Director or Trustee--Chevy Chase Federal Savings Bank, Ethyl Corporation, B.F. Saul REIT and Saul Centers, Inc.; Member of the Board of Visitors--Nicholas School of the Environment of Duke University; Member of the Board of Directors--Old Marriott from 1987 to 1998.
Floretta Dukes McKenzie.....	Director	Founder, Chairwoman and Chief Executive Officer--The McKenzie Group, Inc.; Director or Trustee--Potomac Electric Power Company, National Geographic Society, Acacia Group, Group Hospitalization and Medical Services, Inc., Howard University, White House Historical Association, American Association of School Administrators Leadership of Learning Foundation, Lightspan Partnership, Inc., Impact II-The Teachers Network, National School Board Foundation, Institute for Educational Leadership, Inc., Forum for the American School Superintendent, Harvard Graduate School of Education Urban Superintendents Program, and John Hopkins Leadership Development Program; Director--Old Marriott from 1992 to 1998.
Harry J. Pearce.....	Director	Vice Chairman of the Board--General Motors Corporation; Director--General Motors Acceptance Corporation, Hughes Electronics Corporation, American Automobile Manufacturers Association, and MDU Resources Group, Inc.; Member--U.S. Air Force Academy's Board of Visitors; Member--Board of Trustees of Howard University and Northwestern University School of Law's Dean's Advisory Council; Director--Old Marriott from 1995 to 1998

NAME, CITIZENSHIP AND CURRENT BUSINESS ADDRESS	PRESENT OCCUPATION OR EMPLOYMENT	MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
W. Mitt Romney.....	Director	Director, President and Chief Executive Officer--Bain Capital, Inc.; Director--The Sports Authority, Inc., Staples, Inc.; Member--Executive Board of the Boy Scouts of America; Member of the Board--National Points of Light Foundation and City Year; Member of the Board of Directors--Old Marriott from 1993 to 1998
Roger W. Sant.....	Director	Chairman of the Board and Co-founder--The AES Corporation; Chairman of the Board--World Wildlife Fund (U.S); Member of the Board--World Resources Institute and Worldwide Fund for Nature; Director--Old Marriott from 1993 to 1998
William J. Shaw....	Director, President and Chief Operating Officer since 1997	President and Chief Operating Officer--Old Marriott until 1998; Executive Vice President and President--Marriott Service Group since 1993; Chairman of the Board--Directors of Host Marriott Services Corporation and Sodexho Marriott Services, Inc.; Member Board of Trustees--University of Notre Dame, Loyola College in Maryland and Suburban Hospital Foundation; Director--Old Marriott from 1997 to 1998.
Lawrence M. Small..	Director	President, Chief Operating Officer, Director--Fannie Mae; Vice Chairman and Chairman--Executive Committee of the Boards of Directors of Citicorp/Citibank; Director--The Chubb Corporation; Chairman--Financial Advisory Committee of Trans-Resources International; Member of the Board of Trustees--Morehouse College and New York University Medical Center; Member--U.S. Holocaust Memorial Council; Director--Old Marriott from 1995 to 1998.
Arne M. Sorenson...	Executive Vice President and Chief Financial Officer	Senior Vice President--Business Development from 1996 to 1998; Partner, Latham & Watkins from 1986 to 1996.
Joseph Ryan.....	Executive Vice President and General Counsel	Executive Vice President and General Counsel--Old Marriott from 1994 to 1998; partner, O'Melveny & Myers, 1976-1994.

The following table sets forth the name, business or residence address, principal occupation or employment at the present time and during the last five years, and the name of any corporation or other organization in which such employment is conducted or was conducted of each executive officer or director of Purchaser. Except as otherwise indicated, all of the persons listed below are citizens of the United States of America. Each occupation set forth opposite a person's name, unless otherwise indicated, refers to employment with Purchaser. Unless otherwise indicated, the principal business address of each director or executive officer is Marriott International, Inc., 10400 Fernwood Road, Bethesda, Maryland 20857.

NAME, CITIZENSHIP AND CURRENT BUSINESS ADDRESS	PRESENT OCCUPATION OR EMPLOYMENT	MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
William J. Shaw.....	President, Director	President and Chief Operating Officer--Marriott International, Inc.; President and Chief Operating Officer--Old Marriott until 1998; Executive Vice President and President--Marriott Service Group since 1993; Chairman of the Board--Directors of Host Marriott Services Corporation and Sodexho Marriott Services, Inc.; Member Board of Trustees--University of Notre Dame, Loyola College in Maryland and Suburban Hospital Foundation; Director--Old Marriott from 1997 to 1998.
Arne M. Sorenson.....	Vice President, Director	Executive Vice President and Chief Financial Officer--Marriott International, Inc. from September 1998 to date; Senior Vice President Business Development from 1996 to 1998; Partner, Latham & Watkins from 1986 to 1996.
Joseph Ryan.....	Vice President, Director	Executive Vice President and General Counsel--Marriot International, Inc.;--Old Marriott from 1994 until 1998; partner, O'Melveny & Myers, 1976-1994.
G. Cope Stewart, III....	Vice President	Executive Vice President and Associate General Counsel--Marriott International, Inc., Vice President and Associate General Counsel--Old Marriott from February 1994 to 1998; Partner, Arent Fox Kintner Plotkin and Kahn from September 1986 to January 1994.
M. Lester Pulse, Jr.....	Vice President	Senior Vice President--Taxes--Marriott International, Inc. for the last five years.
W. David Mann.....	Secretary	Corporate Secretary since February 1998, Senior Counsel since 1996 and Corporate Counsel since 1995 with Marriott International, Inc.; Associate with Akin, Gump, Strauss, Hauer & Feld, LLP from 1988 to 1995.

ANNEX A

TEXT OF TITLE 3, SUBTITLE 2, OF THE MARYLAND GENERAL CORPORATION LAW

(S) 3-201. "SUCCESSOR" DEFINED.

(a) Corporation amending charter.--In this subtitle, except as provided in subsection (b) of this section, "successor" includes a corporation which amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock, unless the right to do so is reserved by the charter of the corporation.

(b) Corporation whose stock is acquired.--When used with reference to a share exchange, "successor" means the corporation the stock of which was acquired in the share exchange.

(S) 3-202. RIGHT TO FAIR VALUE OF STOCK.

(a) General rule.--Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

(1) The corporation consolidates or merges with another corporation;

(2) The stockholder's stock is to be acquired in a share exchange;

(3) The corporation transfers its assets in a manner requiring action under (S) 3-105(d) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation; or

(5) The transaction is governed by (S) 3-602 of this title or exempted by (S) 3-603(b) of this title.

(b) Basis of fair value.--

(1) Fair value is determined as of the close of business:

(i) With respect to a merger under (S) 3-106 of this title of a 90 percent or more owned subsidiary into its parent, on the day notice is given or waived under (S) 3-106; or

(ii) With respect to any other transaction, on the day the stockholders voted on the transaction objected to.

(2) Except as provided in paragraph (3) of this subsection, fair value may not include any appreciation or depreciation which directly or indirectly results from the transaction objected to or from its proposal.

(3) In any transaction governed by (S) 3-602 of this title or exempted by (S) 3-603(b) of this title, fair value shall be value determined in accordance with the requirements of (S) 3-603(b) of this title.

(c) When right to fair value does not apply.--Unless the transaction is governed by (S) 3-602 of this title or is exempted by (S) 3-603(b) of this title, a stockholder may not demand the fair value of his stock and is bound by the terms of the transaction if:

(1) The stock is listed on a national securities exchange or is designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.:

(i) With respect to a merger under (S) 3-106 of this title of a 90 percent or more owned subsidiary into its parent, on the date notice is given or waived under (S) 3-106; or

(ii) With respect to any other transaction, on the record date for determining stockholders entitled to vote on the transaction objected to;

(2) The stock is that of the successor in a merger, unless:

(i) The merger alters the contract rights of the stock as expressly set forth in the charter, and the charter does not reserve the right to do so; or

(ii) The stock is to be changed or converted in whole or in part in the merger into something other than either stock in the successor or cash, scrip, or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor; or

(3) The stock is that of an open-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the value placed on the stock in the transaction is its net asset value.

(S) 3-203. PROCEDURE BY STOCKHOLDER.

(a) Specific duties.--A stockholder of a corporation who desires to receive payment of the fair value of his stock under this subtitle:

(1) Shall file with the corporation a written objection to the proposed transaction:

(i) With respect to a merger under (S) 3-106 of this title of a 90 percent or more owned subsidiary into its parent, within 30 days after notice is given or waived under (S) 3-106; or

(ii) With respect to any other transaction, at or before the stockholders' meeting at which the transaction will be considered;

(2) May not vote in favor of the transaction; and

(3) Within 20 days after the Department accepts the articles for record, shall make a written demand on the successor for payment for his stock, stating the number and class of shares for which he demands payment.

(b) Failure to comply with section.--A stockholder who fails to comply with this section is bound by the terms of the consolidation, merger, share exchange, transfer of assets, or charter amendment.

(S) 3-204. EFFECT OF DEMAND ON DIVIDEND AND OTHER RIGHTS.

A stockholder who demands payment for his stock under this subtitle:

(1) Has no right to receive any dividends or distributions payable to holders of record of that stock on a record date after the close of business on the day as at which fair value is to be determined under (S) 3-202 of this subtitle; and

(2) Ceases to have any rights of a stockholder with respect to that stock, except the right to receive payment of its fair value.

(S) 3-205. WITHDRAWAL OF DEMAND.

A demand for payment may be withdrawn only with the consent of the successor.

(S) 3-206. RESTORATION OF DIVIDEND AND OTHER RIGHTS.

(a) When rights restored.--The rights of a stockholder who demands payment are restored in full, if:

(1) The demand for payment is withdrawn;

(2) A petition for an appraisal is not filed within the time required by this subtitle;

(3) A court determines that the stockholder is not entitled to relief; or

(4) The transaction objected to is abandoned or rescinded.

(b) Effect of restoration.--The restoration of a stockholder's rights entitles him to receive the dividends, distributions, and other rights he would have received if he had not demanded payment for his stock. However, the restoration does not prejudice any corporate proceedings taken before the restoration.

(S) 3-207. NOTICE AND OFFER TO STOCKHOLDERS.

(a) Duty of successor.--

(1) The successor promptly shall notify each objecting stockholder in writing of the date the articles are accepted for record by the Department.

(2) The successor also may send a written offer to pay the objecting stockholder what it considers to be the fair value of his stock. Each offer shall be accompanied by the following information relating to the corporation which issued the stock:

(i) A balance sheet as of a date not more than six months before the date of the offer;

(ii) A profit and loss statement for the 12 months ending on the date of the balance sheet; and

(iii) Any other information the successor considers pertinent.

(b) Manner of sending notice.--The successor shall deliver the notice and offer to each objecting stockholder personally or mail them to him by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, at the address he gives the successor in writing, or, if none, at his address as it appears on the records of the corporation which issued the stock.

(S) 3-208. PETITION FOR APPRAISAL; CONSOLIDATION OF PROCEEDINGS; JOINDER OF OBJECTORS.

(a) Petition for appraisal.--Within 50 days after the Department accepts the articles for record, the successor or an objecting stockholder who has not received payment for his stock may petition a court of equity in the county where the principal office of the successor is located or, if it does not have a principal office in this State, where the resident agent of the successor is located, for an appraisal to determine the fair value of the stock.

(b) Consolidation of suits; joinder of objectors.--

(1) If more than one appraisal proceeding is instituted, the court shall direct the consolidation of all the proceedings on terms and conditions it considers proper.

(2) Two or more objecting stockholders may join or be joined in an appraisal proceeding.

(S) 3-209. NOTATION ON STOCK CERTIFICATE.

(a) Submission of certificate.--At any time after a petition for appraisal is filed, the court may require the objecting stockholders parties to the proceeding to submit their stock certificates to the clerk of the court for notation on them that the appraisal proceeding is pending. If a stockholder fails to comply with the order, the court may dismiss the proceedings as to him or grant other appropriate relief.

(b) Transfer of stock bearing notation.--If any stock represented by a certificate which bears a notation is subsequently transferred, the new certificate issued for the stock shall bear a similar notation and the name of the original objecting stockholder. The transferee of this stock does not acquire rights of any character with respect to the stock other than the rights of the original objecting stockholder.

(S) 3-210. APPRAISAL OF FAIR VALUE

(a) Court to appoint appraisers.--If the court finds that the objecting stockholder is entitled to an appraisal of his stock, it shall appoint three disinterested appraisers to determine the fair value of the stock on terms and conditions the court considers proper. Each appraiser shall take an oath to discharge his duties honestly and faithfully.

(b) Report of appraisers--Filing.--Within 60 days after their appointment, unless the court sets a longer time, the appraisers shall determine the fair value of the stock as of the appropriate date and file a report stating the conclusion of the majority as to the fair value of the stock.

(c) Same--Contents.--The report shall state the reasons for the conclusion and shall include a transcript of all testimony and exhibits offered.

(d) Same--Service; objection.--

(1) On the same day that the report is filed, the appraisers shall mail a copy of it to each party to the proceedings.

(2) Within 15 days after the report is filed, any party may object to it and request a hearing.

(S) 3-211. ACTION BY COURT ON APPRAISERS' REPORT.

(a) Order of court.--The court shall consider the report and, on motion of any party to the proceeding, enter an order which:

(1) Confirms, modifies, or rejects it; and

(2) If appropriate, sets the time for payment to the stockholder.

(b) Procedure after order.--

(1) If the appraisers' report is confirmed or modified by the order, judgment shall be entered against the successor and in favor of each objecting stockholder party to the proceeding for the appraised fair value of his stock.

(2) If the appraisers' report is rejected, the court may:

(i) Determine the fair value of the stock and enter judgment for the stockholder; or

(ii) Remit the proceedings to the same or other appraisers on terms and conditions it considers proper.

(c) Judgment includes interest.--

(1) Except as provided in paragraph (2) of this subsection, a judgment for the stockholder shall award the value of the stock and interest from the date as at which fair value is to be determined under (S) 3-202 of this subtitle.

(2) The court may not allow interest if it finds that the failure of the stockholder to accept an offer for the stock made under (S) 3-207 of this subtitle was arbitrary and vexatious or not in good faith. In making this finding, the court shall consider:

(i) The price which the successor offered for the stock;

(ii) The financial statements and other information furnished to the stockholder; and

(iii) Any other circumstances it considers relevant.

(d) Costs of proceedings.--

(1) The costs of the proceedings, including reasonable compensation and expenses of the appraisers, shall be set by the court and assessed against the successor. However, the court may direct the costs to be apportioned and assessed against any objecting stockholder if the court finds that the failure of the stockholder to accept an offer for the stock made under (S) 3-207 of this subtitle was arbitrary and vexatious or not in good faith. In making this finding, the court shall consider:

(i) The price which the successor offered for the stock;

(ii) The financial statements and other information furnished to the stockholder; and

(iii) Any other circumstances it considers relevant.

(2) Costs may not include attorney's fees or expenses. The reasonable fees and expenses of experts may be included only if:

(i) The successor did not make an offer for the stock under (S) 3-207 of this subtitle; or

(ii) The value of the stock determined in the proceeding materially exceeds the amount offered by the successor.

(e) Effect of judgment.--The judgment is final and conclusive on all parties and has the same force and effect as other decrees in equity. The judgment constitutes a lien on the assets of the successor with priority over any mortgage or other lien attaching on or after the effective date of the consolidation, merger, transfer, or charter amendment.

(S) 3-212. SURRENDER OF STOCK.

The successor is not required to pay for the stock of an objecting stockholder or to pay a judgment rendered against it in a proceeding for an appraisal unless, simultaneously with payment:

(1) The certificates representing the stock are surrendered to it, endorsed in blank, and in proper form for transfer; or

(2) Satisfactory evidence of the loss or destruction of the certificates and sufficient indemnity bond are furnished.

(S) 3-213. RIGHTS OF SUCCESSOR WITH RESPECT TO STOCK.

(a) General rule.--A successor which acquires the stock of an objecting stockholder is entitled to any dividends or distributions payable to holders of record of that stock on a record date after the close of business on the day as at which fair value is to be determined under (S) 3-202 of this subtitle.

(b) Successor in transfer of assets.--After acquiring the stock of an objecting stockholder, a successor in a transfer of assets may exercise all the rights of an owner of the stock.

(c) Successor in consolidation, merger, or share exchange.--Unless the articles provide otherwise, stock in the successor of a consolidation, merger, or share exchange otherwise deliverable in exchange for the stock of an objecting stockholder has the status of authorized but unissued stock of the successor. However, a proceeding for reduction of the capital of the successor is not necessary to retire the stock or to reduce the capital of the successor represented by the stock.

Manually signed facsimile copies of the Letter of Transmittal will be accepted. Letters of Transmittal and certificates for Shares should be sent or delivered by each stockholder of the Company or his broker, dealer, commercial bank or trust company to the Depositary at one of its addresses set forth below:

The Depositary for the Offer is:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

By Mail:	By Federal Express or other Courier	By Hand:
First Chicago Trust Company of New York Corporate Actions, Suite 4660 P.O. Box 2569 Jersey City, NJ 07303-2569	First Chicago Trust Company of New York Corporate Actions, Suite 4680 14 Wall Street, 8th Fl. New York, NY 10005	First Chicago Trust Company of New York c/o Securities Transfer and Reporting Services Inc. Attn: Corporate Actions 100 William Street, Galleria New York, NY 10038

By Facsimile Transmission: (For Eligible Institutions Only)	Confirm by Telephone:
(201) 222-4720 or (201) 222-4721	(201) 222-4707

Any questions or requests for assistance may be directed to the Information Agent at its address and telephone numbers set forth below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent or the Depositary. Stockholders may also contact their brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[LOGO OF MACKENZIE PARTNERS, INC. APPEARS HERE]
156 FIFTH AVENUE
NEW YORK, NEW YORK 10010
(212) 929-5500 (CALL COLLECT)
OR
CALL TOLL FREE (800) 322-2885

Exhibit B

MERGER AGREEMENT

DATED AS OF JANUARY 6, 1999

AMONG

MARRIOTT INTERNATIONAL, INC.

EXECUSTAY CORPORATION

AND

MI SUBSIDIARY I, INC.

TABLE OF CONTENTS

TABLE OF DEFINED TERMS

MERGER AGREEMENT

THIS MERGER AGREEMENT (this "Agreement") dated as of January 6, 1999, is among EXECUSTAY CORPORATION, a Maryland corporation ("Company"), MARRIOTT INTERNATIONAL, INC., a Delaware corporation ("Parent"), and MI SUBSIDIARY I, INC., a Delaware corporation and a wholly owned, direct subsidiary of Parent ("Acquisition").

WHEREAS, the Board of Directors of the Company (the "Board") has, in light of and subject to the terms and conditions set forth herein, (i) determined that each of the Offer and the Merger (each as defined below) is advisable on substantially the terms and conditions set forth herein and is fair to the stockholders of the Company and in the best interests of such stockholders and (ii) approved and adopted this Agreement and the transactions contemplated hereby and resolved to recommend acceptance of the Offer and approval and adoption by the stockholders of the Company, if necessary, of this Agreement;

WHEREAS, in furtherance thereof, it is proposed that Acquisition shall, within five (5) business days after the public announcement hereof, commence a tender offer (the "Offer") to acquire all of the publicly-held Shares (defined herein), at a price of $14.00 per Share (such amount, being hereinafter referred to as the "Per Share Amount"), net to the seller in cash, less any required withholding of taxes, in accordance with the terms and subject to the conditions provided herein; and

WHEREAS, in anticipation of consummation of the Merger, it is proposed that newly-designated Class A Shares and Class B Shares (each as defined herein) of the Company will be issued to certain stockholders of the Company in exchange for their Shares;

NOW THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements herein contained and intending to be legally bound hereby, the Company, Parent and Acquisition hereby agree as follows:

ARTICLE 1

THE OFFER

SECTION 1.1. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 9.1 and none of the events or conditions set forth in Article 7 shall have occurred and be existing, as promptly as practicable, but in no event later than five (5) business days after the public announcement of the execution hereof by the parties, Acquisition shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Offer; and Acquisition shall use reasonable efforts to consummate the Offer, including, without limitation, engaging an information agent in connection therewith. Acquisition shall accept for payment Shares which have been validly tendered and not withdrawn pursuant to the Offer at the earliest time following expiration of the Offer that all conditions to the Offer shall have been satisfied or waived by Acquisition. The obligation of Acquisition to accept for payment, purchase and pay for Shares tendered pursuant to the Offer shall be subject only to the condition that at least 2,000,000 Shares be validly tendered (the

"Minimum Condition") and the other conditions set forth in Article 7. Acquisition expressly reserves the right to increase the price per Share payable in the Offer or to make any other changes in the terms and conditions of the Offer (provided that, unless previously approved by the Company in writing, no change may be made which decreases the Per Share Amount, which changes the form of consideration to be paid in the Offer, which imposes conditions to the Offer in addition to those set forth in Article 7 or which broadens the scope of such conditions). It is agreed that the conditions set forth in Article 7 are for the sole benefit of Acquisition and may be asserted by Acquisition regardless of the circumstances giving rise to any such condition (including any action or inaction by Acquisition) or may be waived by Acquisition, in whole or in part at any time and from time to time, in its sole discretion. The failure by Acquisition at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination (which shall be made in good faith) by Acquisition with respect to any of the foregoing conditions (including, without limitation, the satisfaction of such conditions) shall be final and binding on the parties. The Per Share Amount shall be paid net to the seller in cash, less any required withholding of taxes, upon the terms and subject to such conditions of the Offer. The Company agrees that no Shares held by the Company or any of its subsidiaries will be tendered in the Offer. Pursuant to separate agreements, the persons listed in Schedules 2.1(a) and 2.1(b) have agreed not to tender in the Offer the number of Shares listed in such Schedules without Parent's consent.

(b) As soon as practicable after the date hereof, Acquisition shall file with the Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule 14D-1 with respect to the Offer, which shall include an offer to purchase and form of transmittal letter (together with any amendments thereof or supplements thereto, collectively the "Offer Documents"). The Offer Documents will comply in all material respects with the provisions of applicable federal securities laws. The information provided and to be provided by the Company, Parent a nd Acquisition for use in the Offer Documents shall not, on the date filed with the SEC and on the date first published or sent or given to the Company's stockholders, as the case may be, contain any untrue statement of a material fact nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that no representation or warranty is made by Parent or Acquisition with respect to information supplied by the Company or any of its stockholders for inclusion in the Offer Documents. The Company agrees that information provided by the Company for inclusion or incorporation in the Offer Documents shall not contain any untrue statement of a material fact nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Parent, Acquisition and the Company each agrees promptly to correct any information provided by it for use in the Offer Documents if and to the extent that such information shall have become false or misleading in any material respect and Acquisition further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws.

SECTION 1.2. Company Action. (a) The Company hereby approves
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of and consents to the Offer and the Merger and represents and warrants that the Board, including all of the independent directors of the Company, at a meeting duly called and held, has, subject to the terms and conditions set forth herein, adopted final and binding resolutions, which have not been amended or repealed, pursuant to which the Board (i) determined that this Agreement and the transactions contemplated hereby, including the Offer and the Merger, are fair to, and in the best interests of, the stockholders of the

Company, (ii) declared that the Merger is advisable on substantially the terms and conditions set forth in such resolutions and approved this Agreement and the transactions contemplated hereby, including the Offer, the Preferred Stock Issuance and the Merger, in all respects and such approval constitutes approval of the Offer, this Agreement and the Merger for purposes of Section 3-105 of the Maryland General Corporation Law (the "MGCL") and similar provisions of any other similar state statutes that might be deemed applicable to the transactions contemplated hereby, (iii) took all action that the Board reasonably believes to be necessary, including but not limited to all actions required to render the provisions of Title 3, Subtitles 2, 6 and 7 of the MGCL, "Rights of Objecting Stockholders", "Special Voting Requirements" and "Voting Rights of Certain Control Shares", respectively, inapplicable to Parent, Acquisition and the Class A and Class B Holders, and (iv) recommended that the stockholders of the Company accept the Offer, tender their Shares thereunder to Acquisition and, if required by law, approve and adopt this Agreement and the Merger; and in addition that the Company consents to the inclusion of such recommendation and approval in the Offer Documents.

(b) The Company hereby agrees to file with the SEC as soon as practicable after the date hereof a Solicitation/Recommendation Statement on Schedule 14D-9 pertaining to the Offer (together with any amendments thereof or supplements thereto, the "Schedule 14D-9") containing the recommendation described in Section 1.2(a) and to promptly mail the Schedule 14D-9 to the stockholders of the Company. The Company represents and warrants that the Schedule 14D-9 will comply in all material respects with the provisions of applicable federal securities laws and, on the date filed with the SEC and on the date first published, sent or given to the Company's stockholders, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation is made by the Company with respect to information supplied by Parent or Acquisition in writing for inclusion in the Schedule 14D-9. The Company, Parent and Acquisition each agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent that such information shall have become false or misleading in any material respect and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to the holders of Shares, in each case as and to the extent required by applicable federal securities laws.

(c) In connection with the Offer, the Company will promptly furnish Parent and Acquisition with mailing labels, security position listings and any available listing or computer files containing the names and addresses of the record holders of the Shares as of a recent date and shall furnish Acquisition with such additional information and assistance (including, without limitation, updated lists of stockholders, mailing labels and lists of securities positions) as Acquisition or its agents may reasonably request in communicating the Offer to the record and beneficial holders of Shares. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Merger, Parent, Acquisition and their affiliates, associates, agents and advisors shall use the information contained in any such labels, listings and files only in connection with the Offer and the Merger, and, if this Agreement shall be terminated, will deliver to the Company all copies of such information then in their possession.

SECTION 1.3. Boards of Directors and Committees; Section 14(f). (a) Promptly upon the purchase by Acquisition of Shares following the expiration date (as such date may be extended) of, and pursuant to the Offer (the "Tender Offer Purchase Time") and from time to time thereafter, and subject to the last sentence of this

Section 1.3(a), Acquisition shall be entitled to designate directors of the Company constituting a majority of the Board, and the Company shall use its best efforts to, upon request by Acquisition, promptly, at the Company's election, either increase the size of the Board (subject to the provisions of Article Eleventh of the Company's charter) or secure the resignation of such number of directors as is necessary to enable Acquisition's designees to be elected to the Board and to cause Acquisition's designees to be so elected and to constitute at all times after the Tender Offer Purchase Time a majority of the Board. At such times, and subject to the last sentence of this Section 1.3(a), the Company will use its best efforts to cause persons designated by Acquisition to constitute the same percentage as is on the Board of (i) each committee of the Board (other than any committee of the Board established to take action under this Agreement), (ii) each board of directors of each subsidiary of the Company and (iii) each committee of each such board. Notwithstanding the foregoing, the Company shall use its best efforts to ensure that Gary R. Abrahams, Marc B. Kaplan and Robert W. Zaugg shall remain members of the Board until the Effective Time (as defined in Section 2.3 hereof).

(b) The Company's obligation to appoint designees to the Board shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all action required pursuant to such Section and Rule in order to fulfill its obligations under this Section 1.3 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under such Section and Rule in order to fulfill its obligations under this Section 1.3. Acquisition will supply to the Company in writing and be solely responsible for any information with respect to itself and its nominees, officers, directors and affiliates required by such Section and Rule.

(c) Following the election or appointment of Acquisition's designees pursuant to this Section 1.3 and prior to the Effective Time, if there shall be any directors of the Company who were directors as of the date hereof, any amendment of this Agreement, any termination of this Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Acquisition or Parent or waiver of any of the Company's rights hereunder, will require the concurrence of a majority of such directors.

ARTICLE 2

THE MERGER

SECTION 2.1. Issuance of Class A and Class B Preferred Stock.

Within two days prior to the Closing Time (defined below), the Company will provide for the issuance ("Preferred Stock Issuance") of (a) shares of a newly-designated Class A preferred stock, par value $.01 per share (individually a "Class A Share" and collectively, the "Class A Shares"), to the persons listed on Schedule 2.1(a) hereto (the "Class A Holders"), on a share-for-share basis in exchange for a certain number (as set forth in the applicable Stockholder Agreement by and between Parent and Acquisition, on one hand, and Class A Holders and the Class B Holders, respectively, on the other hand, dated as of January 6, 1999, each referred to herein as a "Stockholder Agreement") of the issued and outstanding shares of common stock, par value $.01 per share, of the Company (individually a "Share" and collectively, the "Shares"), owned of record or beneficially by such persons, and (b) shares of a newly-designated Class B preferred stock, par value $.01 per share (individually a "Class B Share" and collectively, the "Class B Shares"), to the persons listed on Schedule 2.1(b) hereto (the "Class B Holders"), on a share-for-share basis in exchange for a certain number (as set forth in the applicable Stockholder Agreement) of the issued and outstanding Shares owned of record or beneficially by such

persons. The Class A Shares and the Class B Shares shall have no voting rights, but shall have the same rights to dividends, distributions and other economic benefits (other than a liquidation preference as to par value) as the Shares. Except as to the Shares so exchanged by the Class A Holders and the Class B Holders, all the Shares will remain issued and outstanding. Outstanding but unexercised options to purchase Shares held by the Class A Holders and the Class B Holders will be treated in accordance with Section 2.14.

SECTION 2.2. The Merger. At the Effective Time (as defined below) and upon the terms and subject to the conditions of this Agreement and in accordance with the MGCL, the Company shall be merged with and into Acquisition (the "Merger"). Following the Merger, Acquisition shall continue as the surviving corporation (the "Surviving Corporation") and the separate corporate existence of the Company shall cease. Parent, as the sole stockholder of Acquisition, hereby approves this Agreement, the Merger and the other transactions contemplated hereby.

SECTION 2.3. Closing of the Merger. The closing of the Merger will take place at a time (the "Closing Time") and on a date to be specified by the parties, which shall be no later than the second business day after satisfaction of the latest to occur of the conditions set forth in Article 8 at the offices of Gibson, Dunn & Crutcher LLP, 1050 Connecticut Avenue, N.W., Washington, D.C. 20036, unless another time, date or place is agreed to in writing by the parties hereto.

SECTION 2.4. Effective Time. Subject to the terms and conditions set forth in this Agreement, Articles of Merger and a Certificate of Merger or Certificate of Ownership and Merger, if applicable (the foregoing, collectively, "Merger Certificate") shall be duly executed and acknowledged by Acquisition and the Company and thereafter delivered at the Closing Time (as defined in Section 2.3) to the State Department of Assessments and Taxation of Maryland (the "Maryland Department") and the Secretary of State of the State of Delaware for filing pursuant to the MGCL and the Delaware General Corporation Law (the "DGCL"), respectively. The Merger shall become effective at such time as a properly executed and certified copy of the Merger Certificate is duly accepted for record (i) by the Maryland Department pursuant to the MGCL, and (ii) by the Secretary of State of the State of Delaware for filing pursuant to the DGCL, or such later time as Acquisition and the Company may agree upon and set forth in the Merger Certificate (not exceeding 30 days after the Merger Certificate is accepted for record; the time the Merger becomes effective being referred to herein as the "Effective Time").

SECTION 2.5. Effects of the Merger. The Merger shall have the effects set forth in the MGCL and the DGCL. Without limiting the generality of the foregoing and subject thereto at the Effective Time, all the properties, rights, privileges, powers and franchises of the Company and Acquisition shall vest in the Surviving Corporation and all debts, liabilities and duties of the Company and Acquisition shall become the debts, liabilities and duties of the Surviving Corporation.

SECTION 2.6. Charter and Bylaws. The Certificate of Incorporation of Acquisition in effect at the Effective Time shall be the charter of the Surviving Corporation until amended in accordance with applicable law. The Bylaws of Acquisition in effect at the Effective Time shall be the Bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.7. Directors. The directors of Acquisition at the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the charter and Bylaws of the Surviving Corporation until the next annual

meeting of stockholders and until each such director's successor is duly elected or appointed and qualified.

SECTION 2.8. Officers. The officers of the Company at the Effective Time shall be the initial officers of the Surviving Corporation, each to hold office in accordance with the charter and Bylaws of the Surviving Corporation until such officer's successor is duly elected or appointed and qualified.

SECTION 2.9. Conversion of Class A Shares.

(a) At the Effective Time, each Class A Share issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of Acquisition, the Company or the holder thereof, be converted into and shall become a number of fully paid and nonassessable shares of common stock, $.01 par value per share, of Parent ("Parent Common Stock") equal to the Class A Exchange Ratio (as defined below) (the "Class A Merger Consideration"). Notwithstanding the foregoing if, between the date of this Agreement and the Effective Time, the outstanding shares of Parent Common Stock or the Shares shall have been changed into a different number of shares or a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, then the exchange ratio contemplated by the Merger shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

(b) The "Class A Exchange Ratio" is 0.4484, which represents a fraction, the numerator of which is 13 and the denominator of which is the average of the closing prices for Parent Common Stock as reported on the New York Stock Exchange (the "NYSE") Composite Transactions reporting system for the 10 full business days prior to the date hereof.

SECTION 2.10. Conversion of Class B Shares.

(a) At the Effective Time, each Class B Share issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of Acquisition, the Company or the holder thereof, be converted into and shall become a number of fully paid and nonassessable shares of Parent Common Stock equal to the Class B Exchange Ratio (as defined below) (the "Class B Merger Consideration"). Notwithstanding the foregoing if, between the date of this Agreement and the Effective Time, the outstanding shares of Parent Common Stock or the Shares shall have been changed into a different number of shares or a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, then the exchange ratio contemplated by the Merger shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

(b) The "Class B Exchange Ratio" is 0.4829, which represents a fraction, the numerator of which is 14 and the denominator of which is the average of the closing prices for Parent Common Stock as reported on the NYSE Composite Transactions reporting system for the 10 full business days prior to the date hereof.

SECTION 2.11. Conversion of Shares.

(a) At the Effective Time, each Share issued and outstanding immediately prior to the Effective Time (other than (i) Shares held by any of the

Company's subsidiaries and (ii) Shares held by Parent, Acquisition or any other subsidiary of Parent) shall, by virtue of the Merger and without any action on the part of Acquisition, the Company or the holder thereof, be converted into and shall become the right to receive the Per Share Amount in cash, without interest (the "Cash Merger Consideration"). Notwithstanding the foregoing, if between the date of this Agreement and the Effective Time, the Shares shall have been changed into a different number of shares or a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, then the Cash Merger Consideration contemplated by the Merger shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

(b) At the Effective Time, each Share held by Parent, Acquisition or any subsidiary of Parent, Acquisition or the Company immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of Acquisition, the Company or the holder thereof, be canceled and retired and will cease to exist and no payment shall be made with respect thereto.

SECTION 2.12. Payment of Cash Merger Consideration.

(a) As of the Effective Time, Acquisition shall deposit with such agent or agents as may be appointed by Parent and Acquisition (the "Payment Agent") for the benefit of the holders of Shares in cash the aggregate amount necessary to pay the Cash Merger Consideration (such cash is hereinafter referred to as the "Merger Fund") payable pursuant to Section 2.11 in exchange for outstanding Shares.

(b) As soon as reasonably practicable after the Effective Time, the Payment Agent shall mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding Shares (the "Certificates") whose shares were converted into the right to receive the Cash Merger Consideration pursuant to Section 2.11: (i) a letter of transmittal (which shall specify that delivery shall be effected and risk of loss and title to the Certificates shall pass only upon delivery of the Certificates to the Payment Agent and shall be in such form and have such other provisions as Parent and the Company may reasonably specify) and (ii) instructions on how to surrender the Certificates in exchange for the Cash Merger Consideration. Upon surrender to the Payment Agent of a Certificate for cancellation, together with such letter of transmittal duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor a check representing the Cash Merger Consideration which such holder has the right to receive pursuant to the provisions of this Article 2 and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Shares which is not registered in the transfer records of the Company, payment of the Cash Merger Consideration may be made to a transferee if the Certificate representing such Shares is presented to the Payment Agent accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.12, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Cash Merger Consideration as contemplated by this Section 2.12.

(c) In the event that any Certificate shall have been lost, stolen or destroyed, the Payment Agent shall issue in exchange therefor, upon the making of an affidavit of that fact by the holder thereof, such Cash Merger Consideration as may be required pursuant to this Agreement; provided, however, that Acquisition or its Payment Agent may, in its discretion, require the delivery of a suitable bond or indemnity.

(d) All Cash Merger Consideration paid upon the surrender for exchange of Shares in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to such Shares; subject, however, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by the Company on such Shares in accordance with the terms of this Agreement, or prior to the date hereof and which remain unpaid at the Effective Time, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the Shares which were outstanding immediately prior to the Effective Time. If after the Effective Time Certificates are presented to the Surviving Corporation for any reason they shall be canceled and exchanged as provided in this Article 2.

(e) Any portion of the Merger Fund which remains undistributed to the stockholders of the Company for six months after the Effective Time shall be delivered to Parent upon demand and any stockholders of the Company who have not theretofore complied with this Article 2 shall thereafter look only to Parent for payment of their claim for the Cash Merger Consideration.

(f) Neither Acquisition nor the Company shall be liable to any holder of Shares for cash from the Merger Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

SECTION 2.13 Exchange of Certificates.

(a) From time to time following the Effective Time, as required by subsections (b) and (c) below, Parent shall deliver to the Surviving Corporation for the benefit of the holders of Class A Shares and Class B Shares for exchange in accordance with this Article 2 through the Surviving Corporation: (i) certificates representing the appropriate number of shares of Parent Common Stock and (ii) cash to be paid in lieu of fractional shares of Parent Common Stock (such shares of Parent Common Stock and such cash are hereinafter referred to as the "Exchange Fund") issuable pursuant to Sections 2.9 and 2.10 in exchange for outstanding Class A Shares and Class B Shares, respectively.

(b) As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall mail to each holder of a certificate or certificates (each a "Preferred Certificate") which immediately prior to the Effective Time represented outstanding Class A Shares or Class B Shares whose shares were converted into the right to receive shares of Parent Common Stock pursuant to Section 2.9 or 2.10: (i) a letter of transmittal (which shall specify that delivery shall be effected and risk of loss and title to the Preferred Certificates shall pass only upon delivery of the Preferred Certificates to the Surviving Corporation and shall be in such form and have such other provisions as Parent and the Company may reasonably specify) and (ii) instructions for use in effecting the surrender of the Preferred Certificates in exchange for certificates representing shares of Parent Common Stock. Upon surrender to the Surviving Corporation of a Preferred Certificate for cancellation, together with such letter of transmittal duly executed, the holder of such Preferred Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Parent Common Stock and, if applicable, a check representing the cash consideration to which such holder may be entitled on account of a fractional share of Parent Common Stock which such holder has the right to receive pursuant to the provisions of this Article 2 and the Preferred Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Class A or Class B Shares which are not registered in the transfer records of the Company, a certificate representing the proper number of shares of Parent Common

Stock may be issued to a transferee if the Preferred Certificate representing such Class A Shares or Class B Shares is presented to the Surviving Corporation accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.13, each Preferred Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of Parent Common Stock and cash in lieu of any fractional shares of Parent Common Stock as contemplated by this Section 2.13.

(c) No dividends or other distributions declared or made after the Effective Time with respect to Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Preferred Certificate with respect to the shares of Parent Common Stock represented thereby and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.13(f) until the holder of record of such Preferred Certificate shall surrender such Preferred Certificate. Subject to the effect of applicable laws, following surrender of any such Preferred Certificate there shall be paid to the record holder of the certificates representing whole shares of Parent Common Stock issued in exchange therefor without interest (i) at the time of such surrender the amount of any cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 2.13(f) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock and (ii) at the appropriate payment date the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of Parent Common Stock.

(d) In the event that any Preferred Certificate shall have been lost, stolen or destroyed, the Surviving Corporation shall issue in exchange therefor, upon the making of an affidavit of that fact by the holder thereof, certificates representing such shares of Parent Common Stock and cash in lieu of fractional shares if any as may be required pursuant to this Agreement provided, however, that Parent or its Surviving Corporation may, in its discretion, require the delivery of a suitable bond or indemnity.

(e) All shares of Parent Common Stock issued upon the surrender for exchange of Preferred Certificates in accordance with the terms hereof (including any cash paid pursuant to Section 2.13(c) or 2.13(f)) shall be deemed to have been issued in full satisfaction of all rights pertaining to such Class A Shares or Class B Shares; subject, however, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by the Company on such Class A Shares or Class B Shares in accordance with the terms of this Agreement, and which remain unpaid at the Effective Time, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the Class A Shares or Class B Shares which were outstanding immediately prior to the Effective Time. If after the Effective Time Preferred Certificates are presented to the Surviving Corporation for any reason they shall be canceled and exchanged as provided in this Article 2.

(f) No fractions of a share of Parent Common Stock shall be issued in the Merger but in lieu thereof each holder of Class A Shares or Class B Shares otherwise entitled to a fraction of a share of Parent Common Stock shall upon surrender of his or her Preferred Certificate or Preferred Certificates be entitled to receive an amount of cash (without interest) determined by multiplying the closing price for Parent Common Stock as reported on the NYSE Composite Transactions reporting system on the business day five days prior to the Effective Time by the fractional share interest to which such holder

would otherwise be entitled. The parties acknowledge that payment of the cash consideration in lieu of issuing fractional shares was not separately bargained for consideration but merely represents a mechanical rounding off for purposes of simplifying the corporate and accounting complexities which would otherwise be caused by the issuance of fractional shares.

(g) Neither Parent nor the Company shall be liable to any holder of Class A Shares or Class B Shares or Parent Common Stock as the case may be for such shares (or dividends or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

SECTION 2.14. Stock Options.

(a) At the Effective Time, each outstanding option to purchase Shares (a "Company Stock Option" or collectively "Company Stock Options") issued pursuant to the Company's 1997 Incentive and Stock Option Plan ("Company Option Plan") shall vest in full and the Surviving Corporation shall pay to the holder of each outstanding Company Stock Option an amount equal to the excess, if any, of the Per Share Amount over the exercise price per Share of such Company Stock Option, less the amount of Taxes (defined below) required to be withheld under Federal, state or local laws and regulations multiplied by the number of Shares subject to such Company Stock Option. If and to the extent required by the terms of the Company Option Plan or the terms of any Company Stock Option granted thereunder, the Company shall cooperate with Parent and Acquisition in obtaining the consent of each holder of outstanding Company Stock Options to the foregoing treatment of such Company Stock Options and to take any other action necessary to effectuate the foregoing provisions. The Surviving Corporation may require each such holder to execute such a consent, in form and substance reasonably satisfactory to the Surviving Corporation.

(b) Except as provided herein or as otherwise agreed to by the parties and to the extent permitted by the Company Option Plan, the Company Option Plan shall terminate as of the Effective Time and any rights under any provisions under the Company Option Plan and any awards issued thereunder shall be canceled as of the Effective Time.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth on the Disclosure Schedule previously delivered by the Company to Parent (the "Company Disclosure Schedule"), the Company hereby represents and warrants to each of Parent and Acquisition, as of the date hereof and as of the Tender Offer Purchase Time as follows:

SECTION 3.1. Organization and Qualification; Subsidiaries.

(a) Section 3.1 of the Company Disclosure Schedule identifies each subsidiary of the Company as of the date hereof and its respective jurisdiction of incorporation or organization, as the case may be. Each of the Company and each of its subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization as set forth in Section 3.1 of the Company Disclosure Schedule and has all requisite power and authority to own lease and operate its properties and to carry on its businesses as now being conducted. The Company has heretofore provided Acquisition or Parent with access to accurate and complete copies of

the charter and Bylaws (or similar governing documents), as currently in effect, of the Company and its subsidiaries.

(b) Except as disclosed in Section 3.1(b) of the Company Disclosure Schedule, each of the Company and its subsidiaries is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not have a Material Adverse Effect (as defined below) on the Company. When used in connection with the Company or its subsidiaries, the term "Material Adverse Effect" means any change or effect (i) that is materially adverse to the business, growth over the next four years in "EBITDA" (earnings before interest expense, income taxes, depreciation and amortization), properties, financial condition or results of operations of the Company and its subsidiaries, taken as whole, or (ii) that would materially impair the ability of the Company to consummate the transactions contemplated hereby.

SECTION 3.2. Capitalization of the Company and its Subsidiaries.

(a) As of the date hereof and as of the Tender Offer Purchase Time, the authorized stock of the Company consists of 45,000,000 Shares, of which, as of September 30, 1998, 8,235,806 Shares were issued and outstanding, and 5,000,000 shares of preferred stock, par value $.01 per share, no shares of which are outstanding. All of the outstanding Shares have been validly issued and are fully paid, nonassessable and free of preemptive rights. As of October 31, 1998, approximately 356,500 Shares were reserved for issuance and issuable upon or otherwise deliverable in connection with the exercise of outstanding Company Stock Options issued pursuant to the Company Option Plan referred to in Section 2.14(a). Between September 30, 1998 and the date hereof, no shares of the Company's stock have been issued other than pursuant to Company Stock Options, and between October 31, 1998 and the date hereof no stock options have been granted. Except as set forth above and in Sections 3.2(a) and 3.19 of the Company Disclosure Schedule, as of the date hereof, there are issued, reserved for issuance, or outstanding (i) no shares of stock or other voting securities of the Company, (ii) no securities of the Company or its subsidiaries convertible into or exchangeable for shares of stock or voting securities of the Company, (iii) no options or other rights to acquire from the Company or its subsidiaries and, except as described in the Company SEC Reports (as defined below), no obligations of the Company or its subsidiaries to issue any stock, voting securities or securities convertible into or exchangeable for stock or voting securities of the Company, (iv) no bonds, debentures, notes or other indebtedness or obligations of the Company or any of its subsidiaries entitling the holders thereof to have the right to vote (or which are convertible into, or exercisable or exchangeable for, securities entitling the holders thereof to have the right to vote) with the stockholders of the Company or any of its subsidiaries on any matter, and (v) no equity equivalent interests in the ownership or earnings of the Company or its subsidiaries or other similar rights (collectively "Company Securities"). As of the date hereof, other than the provisions of Section 2.1, there are no outstanding obligations of the Company or its subsidiaries (absolute, contingent or otherwise) to repurchase, redeem or otherwise acquire any Company Securities. There are no Shares outstanding subject to rights of first refusal of the Company, nor are there any pre-emptive rights with respect to any Shares. Other than this Agreement, there are no stockholder agreements, voting trusts or other agreements or understandings to which the Company is a party or by which it is bound relating to the voting or registration of any shares of stock of the Company.

(b) Except as disclosed in Section 3.2(b) of the Company Disclosure Schedule, all of the outstanding stock of the Company's subsidiaries is owned by the Company, directly or indirectly, free and clear of any Lien (as defined below) or any other limitation or restriction (including any restriction on the right to vote or sell the same except as may be provided as a matter of law). There are no securities of the Company or its subsidiaries convertible into or exchangeable for, no options or other rights to acquire from the Company or its subsidiaries and no other contract, understanding, arrangement or obligation (whether or not contingent) providing for, the issuance or sale, directly or indirectly, of any stock or other ownership interests in, or any other securities of any subsidiary of, the Company. There are no outstanding contractual obligations of the Company or its subsidiaries to repurchase, redeem or otherwise acquire any outstanding shares of capital stock or other ownership interests in any subsidiary of the Company. For purposes of this Agreement, "Lien" means, with respect to any asset (including without limitation any security), any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

(c) The Shares constitute the only class of equity securities of the Company or its subsidiaries registered or required to be registered under the Exchange Act.

SECTION 3.3. Authority Relative to this Agreement; Recommendation.

The Company has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby except, if required by law, the approval and adoption of this Agreement and the Merger by the holders of the outstanding Shares. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid, legal and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle is applied in a proceeding at law or in equity).

The Board has duly and validly approved, and taken all corporate actions required to be taken by the Board (including but not limited to all actions the Board reasonably believes to be required to render the provisions of Title 3, Subtitles 2, 6 and 7 of the MGCL, "Special Voting Requirements" and "Voting Rights of Certain Control Shares", respectively, inapplicable to Parent and Acquisition) for the consummation of, the transactions contemplated hereby, including the Offer and the acquisition of the Shares pursuant thereto, the Preferred Stock Issuance and the Merger.

SECTION 3.4. SEC Reports; Financial Statements.

(a) The Company has filed all required forms, reports and documents ("Company SEC Reports") with the SEC since August 27, 1997, each of which has complied in all material respects with all applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, each as in effect on the dates such forms, reports and documents were filed. None of such Company SEC Reports, including, without limitation, any financial statements or schedules included or

incorporated by reference therein, contained when filed any untrue statement of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements of the Company included in the Company SEC Reports fairly present in conformity with GAAP (except as may be indicated in the notes thereto or, in the case of unaudited consolidated quarterly statements, as permitted by Form 10-Q of the SEC) the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended.

(b) The Company has heretofore made available or promptly will make available to Acquisition or Parent a complete and correct copy of any amendments or modifications which are required to be filed with the SEC but have not yet been filed with the SEC to agreements, documents or other instruments which previously had been filed by the Company with the SEC pursuant to the Exchange Act.

SECTION 3.5. Information Supplied. None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Offer Documents, Schedule 14D-9, any other tender offer materials, Schedule 14A or 14C, or the proxy statement or information statement ("Proxy Statement") relating to any meeting of the Company's stockholders to be held in connection with the Merger (all of the foregoing documents, collectively, the "Disclosure Statements") will, at the date each and any of the Disclosure Statements is mailed to stockholders of the Company and at the time of the meeting of stockholders of the Company to be held, if necessary, in connection with the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Disclosure Statements will comply as to form in all material respects with all provisions of applicable law. None of the information supplied by the Company in writing for inclusion in the Disclosure Statements or provided by the Company in the Schedule 14D-9 will, at the respective times that any Disclosure Statement and the Schedule 14D-9 or any amendments thereof or supplements thereto are filed with the SEC and are first published or sent or given to holders of Shares, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 3.6. Consents and Approvals; No Violations. Except for filings, permits, authorizations, consents and approvals as may be required under, and other applicable requirements of, the Exchange Act, state securities laws ("Blue Sky Laws"), the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the filing and recordation and acceptance for record of the Merger Certificate as required by the MGCL and the DGCL, respectively, no filing with or notice to and no permit, authorization, consent or approval of any court or tribunal, or administrative governmental or regulatory body, agency or authority (a "Governmental Entity") is necessary for the execution and delivery by the Company of this Agreement or the consummation by the Company of the transactions contemplated hereby, except where the failure to obtain such permits, authorizations, consents or approvals or to make such filings or give such notice would not have a Material Adverse Effect. Neither the execution, delivery and performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of the respective charter or Bylaws (or similar governing documents) of the Company or any of its subsidiaries, (ii) result in a violation or

breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration or Lien) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which any of them or any of their respective properties or assets may be bound or (iii) conflict with or violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to the Company or any of its subsidiaries or any of their respective properties or assets except, in the case of (ii) or (iii), for violations, breaches or defaults which would not have a Material Adverse Effect.

SECTION 3.7. Compliance with Applicable Law. Neither the Company nor any of its subsidiaries is in conflict with, or in default or violation of, (a) its respective charter or certificate of incorporation, bylaws, or other charter or organization documents, (b) to the Company's Knowledge (defined below), any law, statute, rule, regulation, order, judgment, writ, injunction or decree applicable to the Company or any of its subsidiaries or any of their respective properties or assets, or (c) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any property or asset of the Company or any of its subsidiaries may be bound or affected, the effect of which conflict, default or violation, either individually or in the aggregate, would be reasonably likely to be a Material Adverse Effect. To the Company's Knowledge, the Company and its subsidiaries hold all material licenses, permits, approvals and other authorizations of Governmental Entities, and are in substantial compliance with all applicable laws and governmental regulations in connection with their businesses as now being conducted. For the purposes hereof, the term "Knowledge" with respect to the Company means the actual knowledge of any of the Class A Holders, Benny E. Anderson or any of the managers of the regional offices of the Company.

SECTION 3.8. No Undisclosed Liabilities; Absence of Changes. Except to the extent publicly disclosed in the Company's SEC Reports or in the Company Disclosure Schedule, as of September 30, 1998, none of the Company or any of its subsidiaries had any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of the Company and its subsidiaries (including the notes thereto) or which would have a Material Adverse Effect and since such date, the Company has incurred no such liability or obligation. Since December 31, 1997, except as disclosed in the Company SEC Reports, (a) the Company and its subsidiaries have conducted their respective businesses only in the ordinary course and in a manner consistent with past practice and (b) there has not been (i) any change, event, occurrence or circumstance in the business, operations, properties, financial condition or results of operations of the Company or any of its subsidiaries which, individually or in the aggregate, has a Material Adverse Effect (except for changes, events, occurrences or circumstances (A) with respect to general economic or lodging industry conditions or (B) arising as a result of the transactions contemplated hereby), (ii) any material change by the Company in its accounting methods, principles or practices, (iii) any authorization, declaration, setting aside or payment of any dividend or distribution or capital return in respect of any stock of, or other equity interest in, the Company or any of its subsidiaries, (iv) any material revaluation for financial statement purposes by the Company or any of its subsidiaries of any asset (including, without limitation, any writing down of the value of any property, investment or asset or writing off of notes or accounts receivable), (v) other than payment of compensation for services rendered to the Company or any of its subsidiaries in the ordinary course of business consistent with past practice or the grant of Company Stock

Options as described in (and in amounts consistent with) Section 3.2, any material transactions between the Company or any of its subsidiaries, on the one hand, and any (A) officer or director of the Company or any of its subsidiaries, (B) record or beneficial owner of five percent (5%) or more of the voting securities of the Company, or (C) affiliate of any such officer, director or beneficial owner, on the other hand, or (vi) other than pursuant to the terms of the plans, programs or arrangements specifically referred to in Section 3.11 or in the ordinary course of business consistent with past practice, any increase in or establishment of any bonus, insurance, welfare, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards or restricted stock awards), stock purchase or other employee benefit plan, or any other increase in the compensation payable or to become payable to any employees, officers, directors or consultants of the Company or any of its subsidiaries, which increase or establishment, individually or in the aggregate, will result in a material liability.

SECTION 3.9. Litigation. Except as publicly disclosed in the Company SEC Reports, there is no suit, claim, action, proceeding or investigation pending or, to the Company's Knowledge, threatened against the Company or any of its subsidiaries or any of their respective properties or assets before any Governmental Entity which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect on the Company or could reasonably be expected to prevent or delay the consummation of the transactions contemplated by this Agreement. Except as publicly disclosed by the Company in the Company SEC Reports, none of the Company or its subsidiaries nor any property or asset of the Company or any of its subsidiaries is subject to any outstanding order, writ, injunction or decree which insofar as can be reasonably foreseen in the future could reasonably be expected to have a Material Adverse Effect on the Company or could reasonably be expected to prevent or delay the consummation of the transactions contemplated hereby.

SECTION 3.10. Year 2000 Compliance. To the Company's Knowledge, all equipment, products, software and systems utilized or relied on by the Company or its subsidiaries in the conduct of its business, which operate, create, store, process and/or output information (including, without limitation, all computer software, computer firmware, computer hardware (whether general or specific purpose), automated systems, systems that utilize embedded microchips, HVAC systems, elevators, fire and life safety systems, alarm and security systems, computer systems, telephone systems and television systems) (collectively, the "Systems") are designed to correctly operate, create, store, process and output information related to or including dates before, on or after January 1, 2000 ("Millennial Dates"). To the Company's Knowledge, the occurrence in or use by the Systems of Millennial Dates will not adversely affect those Systems' performance with respect to date-dependent data, computations, output, operations or other functions (including, without limitation, calculating, comparing and sequencing), and the Systems will not malfunction, cease to function, or provide invalid or incorrect results as a result of date/time data, to the extent that other Systems, used in combination with the Systems of the Company and its subsidiaries, properly exchange date/time data with the Systems of Company and its subsidiaries.

SECTION 3.11. Employee Benefit Plans; Labor Matters.

(a) Section 3.11(a) of the Company Disclosure Schedule sets forth each plan which is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and each other material agreement, arrangement or commitment which is an employment or consulting agreement, executive or incentive compensation plan, bonus plan, deferred compensation agreement, employee pension, profit sharing,

savings or retirement plan, employee stock option or stock purchase plan, group life, health, or accident insurance or other employee benefit plan, agreement, arrangement or commitment, including, without limitation, severance, vacation, holiday or other bonus plans, currently maintained by the Company or any of its subsidiaries for the benefit of any present or former employees, officers or directors of the Company or any of its subsidiaries ("Company Personnel") or with respect to which the Company or any of its subsidiaries has liability or makes or has an obligation to make contributions (each such plan, agreement, arrangement or commitment set forth in Section 3.11(a) of the Company Disclosure Schedule being hereinafter referred to as a "Company Employee Plan").

(b) The Company has made available to the Parent (i) copies of all Company Employee Plans or in the case of an unwritten plan, a written description thereof, (ii) copies of the most recent annual, financial and, if applicable, actuarial reports and Internal Revenue Service determination letters relating to such Company Employee Plans and (iii) copies of all summary plan descriptions relating to such Company Employee Plans and distributed to Company Personnel.

(c) Except as disclosed in Section 3.11(c) of the Company Disclosure Schedule, there are no Company Personnel who are entitled to any medical, dental or life insurance benefits to be paid under any Company Employee Plans after termination of employment other than as required by Section 601 of ERISA, Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"), or applicable state law.

(d) Each Company Employee Plan that is an employee welfare benefit plan under Section 3(1) of ERISA is either (i) funded through an insurance company contract and is not a "welfare benefit fund" within the meaning of Section 419 of the Code or (ii) unfunded. There is no liability in the nature of a retroactive rate adjustment or loss-sharing or similar arrangement, with respect to any such Company Employee Plan which is an employee welfare benefit plan.

(e) All contributions or payments due with respect to any periods prior to the Closing Time under any Company Employee Plan have been made or appropriate charges have been made on the financial statements. Except as disclosed in Section 3.11(e) of the Company Disclosure Schedule, each Company Employee Plan by its terms and operation is in compliance in all material respects with all applicable laws (including, but not limited to, ERISA, the Code and the Age Discrimination in Employment Act of 1967, as amended).

(f) There are no actions, suits or claims pending or, to the Company's Knowledge, threatened (other than routine noncontested claims for benefits), against any Company Employee Plan or, to the Company's Knowledge, any administrator or fiduciary of any such Company Employee Plan. As to each Company Employee Plan for which an annual report is required to be filed under ERISA or the Code, all such filings, including schedules, have been made on a timely basis and, with respect to the most recent report regarding each such Company Employee Plan, which is a funded pension benefit plan, liabilities do not exceed assets, and no material adverse change has occurred with respect to the financial materials covered thereby.

(g) Except as disclosed in Section 3.11(g) of the Company Disclosure Schedule:

(x) neither the Company nor any of its subsidiaries (nor any entity that is treated as a single employer with the Company or any of its subsidiaries under Section 414(b), (c), (m) or (o) of the Code) maintains, contributes to or is required to

contribute to any plan under which more than one employer makes contributions (within the meaning of Section 4064(a) of ERISA), any plan that is a multiemployer plan within the meaning of Section 3(37) of ERISA, or any plan subject to the minimum funding requirements of Section 412 of the Code;

(y) neither the Company nor any of its subsidiaries (nor any entity that is or was at the relevant time treated as a single employer with the Company or any of its subsidiaries under Section 414(b), (c), (m) or (o) of the Code) has at any time incurred any liability to the Pension Benefit Guaranty Corporation or otherwise under Title IV of ERISA (other than the payment of premiums, none of which is overdue) which liability has not been satisfied; and

(z) neither the Company nor any of its subsidiaries (nor any entity that is or was at the relevant time treated as a single employer with the Company or any of its subsidiaries under Section 414(b), (c), (m) or (o) of the Code) has at any time incurred liability in connection with an "accumulated funding deficiency" within the meaning of Section 412 of the Code, whether or not waived, which liability has not been satisfied and which can result in a Material Adverse Effect on the Company. No notice of a "reportable event," within the meaning of Section 4043 of ERISA, for which the 30-day reporting requirement has not been waived has been required to be filed for any Company Employee Plan.

(h) The Executive Amenities, Inc. 401(k) Profit Sharing Plan maintained by the Company (the "401(k) Plan") has received a favorable determination letter from the Internal Revenue Service which provides that the 401(k) Plan is qualified under Sections 401(a) and 401(k) of the Code (the "Company IRS Letter"). To the Company's Knowledge, nothing has occurred since the date of the most recent Company IRS Letter to cause such letter to be no longer valid or effective, except for changes in the law which may be in effect but with respect to which amendments to such Plan do not have to be adopted on or before the date hereof.

(i) Neither the Company nor any of its subsidiaries (nor, to the Company's Knowledge, any other person, including any fiduciary) has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) or committed any breach of fiduciary duty, which could subject any of the Company Employee Plans (or their trusts), the Company, any of its subsidiaries or any person whom the Company or any of its subsidiaries has an obligation to indemnify, to any material tax or penalty or other liability imposed under the Code or ERISA.

(j) None of the assets of the Company Employee Plans is invested in any property constituting employer real property or an employer security within the meaning of Section 407(d) of ERISA.

(k) Except as disclosed in Section 3.11(k) of the Company Disclosure Schedule, the transactions contemplated by this Agreement (either alone or together with any other transaction(s) or event(s)) will not (i) entitle any Company Personnel to severance pay or other similar payments under any Company Employee Plan, (ii) accelerate the time of payment or vesting or increase the amount of benefits due under any Company Employee Plan or compensation to any Company Personnel, (iii) result in any payments (including parachute payments) under any Company Employee Plan becoming due to any Company Personnel, or (iv) terminate or modify or give a third party a right to terminate or modify the provisions or terms of any Company Employee Plan. Section 3.11(k) of the Company Disclosure Schedule sets forth, for each employee of the Company or any of its subsidiaries that will receive any parachute payment within the

meaning of Section 280G of the Code, a preliminary calculation of the base amount for such employee and of the amount of each such parachute payment, based upon information currently known by the Company and assuming all circumstances that could give rise to such payment occur.

(l) Except as set forth in Section 3.11(l) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is a party to any collective bargaining or other labor union contract applicable to any Company Personnel. There is no pending or, to the Company's Knowledge, threatened labor dispute, strike or work stoppage against the Company or any of its subsidiaries. Neither the Company nor any of its subsidiaries nor their respective representatives or employees has committed any unfair labor practices in connection with the operation of the respective businesses of the Company or its subsidiaries, and there is no pending or, to the Company's Knowledge, threatened charge or complaint against the Company or its subsidiaries by the National Labor Relations Board or any comparable state governmental agency. To the Company's Knowledge, the Company and its subsidiaries are in compliance in all material respects with all applicable laws and regulations respecting employment, employment practices, labor relations, employment discrimination, safety and health, wages, hours and terms and conditions of employment.

SECTION 3.12. Environmental Laws and Regulations.

(a) Except as publicly disclosed in the Company SEC Reports, to the Company's Knowledge, (i) the properties, assets and operations of the Company and its subsidiaries are in material compliance with all applicable federal, state, local and foreign laws and regulations, orders, decrees, judgments, permits and licenses relating to public and worker health and safety and to the protection and clean-up of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) and activities or conditions relating thereto, including, without limitation, those relating to the generation, handling, disposal, transportation or release of hazardous materials (collectively "Environmental Laws"), except for non-compliance that would not have a Material Adverse Effect, which compliance includes but is not limited to, the possession by the Company and its subsidiaries of all material permits and other governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof; (ii) none of the Company or its subsidiaries has received written notice of or, to the Company's Knowledge, is the subject of any Environmental Claim (defined below) that could reasonably be expected to have a Material Adverse Effect on the Company; and (iii) to the Company's Knowledge, there are no circumstances that are reasonably likely to prevent or interfere with such material compliance in the future.

(b) Except as disclosed in the Company SEC Reports, there is no action, cause of action, claim, investigation, demand or notice by any person or entity alleging liability under or non-compliance with any Environmental Law (an "Environmental Claim") which could reasonably be expected to have a Material Adverse Effect that is pending or, to the Company's Knowledge, threatened against the Company or its subsidiaries or, to the Company's Knowledge, against any person or entity whose liability for any Environmental Claim the Company or any of its subsidiaries has or may have retained or assumed either contractually or by operation of law.

SECTION 3.13. Taxes.

(a) For purposes of this Agreement: (i) "Tax" or "Taxes" means any taxes, charges, fees, levies, or other assessments imposed by any U.S. or foreign governmental

entity, whether national, state, county, local or other political subdivision, including, without limitation, all net income, gross income, sales and use, rent and occupancy, value added, ad valorem, transfer, gains, profits, excise, franchise, real and personal property, gross receipt, capital stock, business and occupation, disability, employment, payroll, license, estimated, or withholding taxes or charges imposed by any governmental entity, and includes any interest and penalties on or additions to any such taxes (and includes taxes for which the Company and/or any of its subsidiaries, as the case may be, may be liable in its own right, or as the transferee of the assets of, or as successor to, any other corporation, association, partnership, joint venture, or other entity, or under Treasury Regulation Section 1.1502-6 or any similar provision of foreign, state or local law), provided, however, that to the extent that the following representations relate to state and local sales taxes or lodging taxes, such representations are limited to the Company's Knowledge; and (ii) "Tax Return" means a report, return or other information required to be supplied to a governmental entity with respect to Taxes including, where permitted or required, group, combined or consolidated returns for any group of entities that includes the Company or any of its subsidiaries.

(b) Except as set forth in Section 3.13(b) of the Company Disclosure Schedule, the Company and each of its subsidiaries, and any affiliated or combined group of which the Company or any of its subsidiaries is or was a member for applicable Tax purposes, have (i) filed all federal income and all other Tax Returns required to be filed by applicable law and all such federal income and other Tax Returns (A) reflect the liability for Taxes of the Company and each of its subsidiaries, and (B) were filed on a timely basis and (ii) within the time and in the manner prescribed by law, paid (and until the Closing Time will pay within the time and in the manner prescribed by law) all Taxes that were or are due and payable as set forth in such Tax Returns.

(c) Each of the Company and, where applicable, the Company's subsidiaries has established (and until the Closing Time will maintain) on its books and records reserves adequate to pay all Taxes of the Company or such respective subsidiary, as the case may be, in accordance with GAAP, which are reflected in the most recent consolidated financial statements of the Company and its subsidiaries contained in the Company SEC Documents, as applicable, to the extent required by GAAP.

(d) Except as disclosed in Section 3.13(d) of the Company Disclosure Schedule, neither the Company nor any subsidiary thereof has requested any extension of time within which to file any income, franchise or other Tax Return, which Tax Return has not been filed as of the date hereof.

(e) Except as disclosed in Section 3.13(d) of the Company Disclosure Schedule, neither the Company nor any subsidiary thereof has executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any income, franchise or other Taxes or Tax Returns.

(f) Except as disclosed in Section 3.13(f) of the Company Disclosure Schedule, no deficiency for any Tax which, alone or in the aggregate with any other deficiency or deficiencies, would exceed $25,000, has been proposed, asserted, or assessed against the Company and/or any subsidiary thereof that has not been resolved and paid in full or otherwise settled, no audits or other administrative proceedings are presently in progress or pending or threatened in writing with regard to any Taxes or Tax Returns of the Company and/or any subsidiary thereof, and no written claim is currently being made by any authority in a jurisdiction where any of the Company or any subsidiary thereof, as the case may be, does not file Tax Returns that it is or may be subject to Tax in that jurisdiction.

(g) Except as disclosed on Section 3.13(g) of the Company Disclosure Schedule, neither the Company nor any of its subsidiaries is a party to any agreement relating to allocating or sharing of the payment of, or liability for, Taxes.

(h) The Company does not constitute and for the past five years has not constituted a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

SECTION 3.14. Properties. Section 3.14 of the Company Disclosure Schedule contains a true and complete list (identifying the relevant owners, lessors and lessees) of all real properties owned by the Company or any of its subsidiaries. Each of the Company and its subsidiaries has good and marketable title to all properties, assets and rights of any kind whatsoever (whether real, personal or mixed, and whether tangible or intangible) owned by it (collectively, the "Company Real Assets"), in each case free and clear of any mortgage, security interest, deed of trust, claim, charge, title defect or other lien or encumbrance, except (a) as shown on the consolidated balance sheet of the Company and its subsidiaries dated September 30, 1998 and the notes thereto, (b) for any mortgage, security interest, deed of trust, claim, charge, title defect or other lien or encumbrance arising by reason of (i) taxes, assessments or governmental charges not yet delinquent or which are being contested in good faith, (ii) deposits to secure public or statutory obligations in lieu of surety or appeal bonds entered into in the ordinary course of business, and (iii) operation of law in favor of carriers, warehousemen, landlords, mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof ("Permitted Liens"), or (c) as set forth on Section 3.14 of the Company Disclosure Schedule. There are no pending or, to the Company's Knowledge, threatened condemnation proceedings against or affecting any material Company Real Assets, and none of the material Company Real Assets is subject to any commitment or other arrangement for its sale to a third party outside the ordinary course of business.

SECTION 3.15. Material Contracts and Commitments.

(a) Section 3.15 of the Company Disclosure Schedule contains a true and complete list of all of the following contracts, agreements and commitments, whether oral or written ("Contracts"), to which the Company or any of its subsidiaries is a party or by which any of them or any of their material Company Real Assets is bound, as each such contract or commitment may have been amended, modified or supplemented:

(i) all Contracts pursuant to which the Company or its subsidiaries holds a leasehold interest in or otherwise has an economic interest in any real property, other than property described in Section 3.14 of the Company Disclosure Schedule and other than apartment leases entered into in the ordinary course of business by the Company;

(ii) all Contracts providing for management of any temporary lodging business by the Company or any of its subsidiaries;

(iii) all Contracts granting or obtaining a franchise or license to utilize a brand name or other rights of a system providing residential services, or granting a license or sublicense of any material trademark, trade name, copyright, patent, service mark or trade secret, or any rights therein or application therefor;

(iv) all partnership or joint venture Contracts;

(v) all loan agreements, notes, bonds, debentures, debt instruments, evidences of indebtedness, debt securities, or other Contracts relating to any indebtedness of the Company or any of its subsidiaries in an amount in excess of $100,000, or involving the direct or indirect guaranty or suretyship by the Company or any of its subsidiaries of any indebtedness in an amount in excess of $100,000;

(vi) all Contracts that, after the date hereof, obligate the Company or any of its subsidiaries to pay, pledge, or encumber or restrict assets in an aggregate amount in excess of $100,000;

(vii) all Contracts by which the Company has committed to extend credit to third parties;

(viii) all Contracts with customers of the Company that involve payments which, in the aggregate, exceed $50,000; and

(ix) all Contracts that limit or restrict the ability of the Company or any of its affiliates to compete or otherwise to conduct business in any material manner or place.

(b) The Company has heretofore made available to the Parent true and complete copies of all of the Contracts required to be set forth in Section 3.15 of the Company Disclosure Schedule. Each such Contract is valid and binding in accordance with its terms, and is in full force and effect (except as set forth in Section 3.15 of the Company Disclosure Schedule). Neither the Company nor any of its subsidiaries is in default in any material respect with respect to any such Contract, nor (to the Company's Knowledge) does any condition exist that with notice or lapse of time or both would constitute such a material default thereunder or permit any other party thereto to terminate such Contract. To the Company's Knowledge, no other party to any such Contract is in default in any material respect with respect to any such Contract. No party has given any written or (to the Company's Knowledge) oral notice (i) of termination or cancellation of any such Contract or (ii) that it intends to assert a breach of any such Contract, whether as a result of the transactions contemplated hereby or otherwise. Each Contract identified in Section 3.15 of the Company Disclosure Schedule in response to any item under this Section 3.15 shall be deemed incorporated by reference to all other items in this Section 3.15.

SECTION 3.16. Intangible Property.

(a) The Company has made available to the Parent a list of the Intangible Property (as defined below) which is material to the Company and its subsidiaries in which the Company or any of its subsidiaries has an interest.

(b) Except as set forth on Section 3.16 of the Company Disclosure Schedule:

(i) the Company and its subsidiaries own and have the right to use, sell, license or dispose of all Intangible Property used in the conduct of their business as presently conducted;

(ii) the Company and its subsidiaries have performed all material obligations required to be performed by them, and are not in default under any material contract or arrangement relating to any Intangible Property;

(iii) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not breach, violate or conflict with any material Intangible Property, will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of, or in any material way impair the right of the Company or any of its subsidiaries to use, sell, license or dispose of or to bring any action for the infringement of, any material Intangible Property or material portion thereof;

(iv) there are no royalties, honoraria, fees or other payments payable by the Company or any of its subsidiaries to any person by reason of the ownership, use, license, sale or disposition of any material Intangible Property;

(v) the conduct of the business by the Company and its subsidiaries does not violate any license or agreement with any third party; and

(vi) neither the Company nor any of its subsidiaries has received any notice to the effect (or is otherwise aware) that any material Intangible Property or the use thereof by the Company or any of its subsidiaries conflicts with any rights of any person.

(c) As used herein "Intangible Property" means all intellectual property rights, including patents, patent applications (pending or otherwise), computer software, research findings, market and competitive analyses, brand names, copyrights, service marks, trademarks, tradenames, and all registrations or applications for registration of any of the foregoing.

SECTION 3.17. Brokers. No broker, finder or investment banker (other than A.G. Edwards & Sons, Inc., the Company's financial adviser, a true and correct copy of whose entire engagement agreement has been provided to Acquisition or Parent) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

SECTION 3.18. Certain Business Practices. None of the Company, any of its subsidiaries or any directors or officers of the Company or any of its subsidiaries, nor to the Company's Knowledge, agents or employees of the Company or any of its subsidiaries, has (a) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity, (b) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (c) made any other unlawful payment.

SECTION 3.19. Employees. Section 3.19 of the Company Disclosure Schedule sets forth the following information concerning each of the Company Personnel: (a) name; (b) base salary and bonuses paid in 1998; (c) whether or not the employee has an employment contract, and if so, its expiration date; (d) if the employee has been granted options to purchase Shares, the number of Shares for which the options are

exercisable; and (e) if there is an employment contract, whether it is assignable by its terms.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF PARENT AND ACQUISITION

Parent and Acquisition hereby represent and warrant to the Company as follows:

SECTION 4.1. Organization.

(a) Each of Parent and Acquisition is duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite power and authority to own, lease and operate its properties and to carry on its businesses as now being conducted. Parent has heretofore delivered to the Company accurate and complete copies of their Certificates of Incorporation and Bylaws as currently in effect.

(b) Each of Parent and Acquisition is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not have a Parent Material Adverse Effect. The term "Parent Material Adverse Effect" means any change or effect that is (i) materially adverse to the business, results of operations condition (financial or otherwise) or prospects of Parent and its subsidiaries, taken as a whole, other than any change or effect arising out of general economic conditions unrelated to any businesses in which Parent and its subsidiaries are engaged or (ii) that may impair the ability of Parent and/or Acquisition to consummate the transactions contemplated hereby.

SECTION 4.2. Authority Relative to this Agreement. Each of Parent and Acquisition has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the boards of directors of Parent and Acquisition and by Parent as the sole stockholder of Acquisition and no other corporate proceedings on the part of Parent or Acquisition are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Parent and Acquisition and constitutes a valid, legal and binding agreement of each of Parent and Acquisition enforceable against each of Parent and Acquisition in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle are applied in a proceeding at law or in equity).

SECTION 4.3. Information Supplied. None of the information supplied by Parent or Acquisition in writing for inclusion in the Disclosure Statements or the Schedule 14D-9 will, at the respective times that the Proxy Statement (if necessary) and the Schedule 14D-9 and any amendments thereof or supplements thereto are filed with the SEC and are first published or sent or given to holders of Shares, and in the case of any required Proxy Statement, at the time that it or any amendment thereof or supplement

thereto is mailed to the Company's stockholders, at the time of the Stockholders' Meeting, if such is required, or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 4.4. Financing. Parent has or will have sufficient funds available to purchase all of the Shares that Parent agrees, subject to the terms and conditions hereof, to purchase hereunder and to pay all related fees and expenses, and will make such funds available to Acquisition when required for the performance of its obligations hereunder. Sufficient unissued shares of Parent Common Stock are authorized under Parent's Certificate of Incorporation to fulfill Parent's obligations under Article 2 hereof.

SECTION 4.5. Consents and Approvals; No Violations. Except for filings, permits, authorizations, consents and approvals as may be required under, and other applicable requirements of, the Securities Act, the Exchange Act, Blue Sky Laws, the HSR Act and the filing and acceptance for record or recordation of the Merger Certificate as required by the MGCL and the DGCL, respectively, no filing with or notice to, and no permit, authorization, consent or approval of, any Governmental Entity is necessary for the execution and delivery by Parent or Acquisition of this Agreement or the consummation by Parent or Acquisition of the transactions contemplated hereby, except where the failure to obtain such permits, authorizations, consents or approvals or to make such filings or give such notice would not have a Parent Material Adverse Effect. Neither the execution, delivery and performance of this Agreement by Parent or Acquisition nor the consummation by Parent or Acquisition of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of the respective Certificates of Incorporation or Bylaws (or similar governing documents) of Parent or Acquisition, (ii) result in a violation or breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration or Lien) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Parent or Acquisition or any of Parent's other subsidiaries is a party or by which any of them or any of their respective properties or assets may be bound or (iii) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to Parent or Acquisition or any of Parent's other subsidiaries or any of their respective properties or assets except, in the case of (ii) or (iii), for violations, breaches or defaults which would not have a Parent Material Adverse Effect.

SECTION 4.6. SEC Reports; Financial Statements. Parent and any predecessor company have filed all required forms, reports and documents ("Parent SEC Reports") with the SEC since December 31, 1996, each of which has complied in all material respects with all applicable requirements of the Securities Act and the Exchange Act, each as in effect on the dates such forms, reports and documents were filed. None of such Parent SEC Reports, including, without limitation, any financial statements or schedules included or incorporated by reference therein, contained when filed any untrue statement of a material fact or omitted to state a material fact required to be stated or incorporated by reference therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements of Parent included in the Parent SEC Reports fairly present in conformity with GAAP (except as may be indicated in the notes thereto) the consolidated financial position of Parent and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended.

ARTICLE 5

COVENANTS

SECTION 5.1. Interim Operations. From the date of this Agreement until the Closing Time, except as set forth in Section 5.1 of the Company Disclosure Schedule or as expressly contemplated by any other provision of this Agreement, unless the Parent has consented in writing thereto, the Company shall, and shall cause each of its subsidiaries to:

(a) conduct its business and operations only in the ordinary course of business consistent with past practice;

(b) use reasonable efforts to preserve intact the business, organization, goodwill, rights, licenses, permits and franchises of the Company and its subsidiaries and maintain their existing relationships with customers, suppliers and other persons having business dealings with them;

(c) use reasonable efforts to keep in full force and effect adequate insurance coverage and maintain and keep its properties and assets in good repair, working order and condition, normal wear and tear excepted;

(d) not amend or modify its respective charter or certificate of incorporation, by-laws, partnership agreement or other charter or organization documents;

(e) except as required under Section 2.1, not authorize for issuance, issue, sell, grant, deliver, pledge or encumber or agree or commit to issue, sell, grant, deliver, pledge or encumber any shares of any class or series of capital stock of the Company or any of its subsidiaries or any other equity or voting security or equity or voting interest in the Company or any of its subsidiaries, any securities convertible into or exercisable or exchangeable for any such shares, securities or interests, or any options, warrants, calls, commitments, subscriptions or rights to purchase or acquire any such shares, securities or interests (other than issuances of Shares upon exercise of Company Stock Options granted prior to the date of this Agreement to directors, officers, employees and consultants of the Company in accordance with the Company Stock Plan as currently in effect);

(f) not (i) split, combine or reclassify any shares of its stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its stock, (ii) in solely the case of the Company, declare, set aside or pay any dividends on, or make other distributions in respect of, any of the Company's stock, or (iii) except as required under Section 2.1, repurchase, redeem or otherwise acquire, or agree or commit to repurchase, redeem or otherwise acquire, any shares of stock or other equity or debt securities or equity interests of the Company or any of its subsidiaries;

(g) not amend or otherwise modify the terms of any Company Stock Options or the Company Option Plan, the effect of which shall be to make such terms more favorable to the holders thereof or persons eligible for participation therein;

(h) other than regularly scheduled seniority increases in the ordinary course of business consistent with past practice, not increase the compensation payable or to become payable to any directors, officers or employees of the Company or any of its subsidiaries, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director or officer of the Company or any of its subsidiaries, or establish, adopt, enter into or amend in any material respect or take action to accelerate any material rights or benefits under any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee of the Company of any of its subsidiaries;

(i) not acquire or agree to acquire (including, without limitation, by merger, consolidation, or acquisition of stock, equity securities or interests, or assets) any corporation, partnership, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets of any other person outside the ordinary course of business consistent with past practice or any interest in any real properties (whether or not in the ordinary course of business);

(j) not incur, assume or guarantee any indebtedness for borrowed money (including draw-downs on letters or lines of credit) or issue or sell any notes, bonds, debentures, debt instruments, evidences of indebtedness or other debt securities of the Company or any of its subsidiaries or any options, warrants or rights to purchase or acquire any of the same, except for (i) renewals of existing bonds and letters of credit in the ordinary course of business not to exceed $100,000 in the aggregate; and (ii) advances, loans or other indebtedness in the ordinary course of business consistent with past practice in an aggregate amount not to exceed $100,000;

(k) not sell, lease, license, encumber or otherwise dispose of, or agree to sell, lease, license, encumber or otherwise dispose of, any material properties or assets of the Company or any of its subsidiaries;

(l) not authorize or make any capital expenditures (including by lease) in excess of $100,000 in the aggregate for the Company and all of its subsidiaries;

(m) not make any material change in any of its accounting or financial reporting (including tax accounting and reporting) methods, principles or practices, except as may be required by GAAP;

(n) not make any material tax election or settle or compromise any material United States or foreign tax liability;

(o) except in the ordinary course of business consistent with past practice, not amend, modify or terminate any Contract required to be listed in Section 3.15 of the Company Disclosure Schedule or waive, release or assign any material rights or claims thereunder;

(p) not adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its subsidiaries;

(q) not take any action that would, or would be reasonably likely to, result in any of the representations and warranties set forth in this Agreement not being true and correct in any material respect (as if such representation or warranty were made and in effect on the date such action would have been taken, notwithstanding any other provisions hereof) or (except as to any action permitted under Section 5.4) any of the conditions set forth in Article 7 or 8 not being satisfied; and

(r) except as to subsections (a), (b) and (c) of Section 5.1, not agree or commit in writing or otherwise to do any of the foregoing.

SECTION 5.2. Stockholders' Meeting and Issuance of Parent Shares.

(a) The Company, acting through the Board, shall, if required for the Merger under the MGCL:

(i) duly call, give notice of, convene and hold a meeting of its stockholders (the "Stockholders' Meeting"), to be held as soon as practicable after the Tender Offer Purchase Time for the purpose of considering and taking action upon this Agreement, using a record date, to the extent possible, that is a day on which the Shares are listed on the Nasdaq National Market;

(ii) except as otherwise permitted under Section 5.4, include in the Proxy Statement (A) the recommendation of the Board that stockholders of the Company vote in favor of the approval and adoption of this Agreement, the Merger and the other transactions contemplated hereby (including the Plan and Agreement of Merger attached hereto as Exhibit A), and (B) a statement that the Board believes that the consideration to be received by the stockholders of the Company pursuant to the Merger is fair to such stockholders;

(iii) except as otherwise permitted under Section 5.4, use reasonable efforts (A) to obtain and furnish the information required to be included by it in the Disclosure Statements and, after consultation with Parent and Acquisition, cause the Proxy Statement to be mailed to its stockholders at the earliest practicable time following the Tender Offer Purchase Time, and (B) to obtain the necessary approvals by its stockholders of this Agreement and the transactions contemplated hereby. At such meeting, Parent, Acquisition will, and will cause their affiliates to, vote all Shares owned by them in favor of approval and adoption of this Agreement, the Merger and the transactions contemplated hereby.

SECTION 5.3. Termination of Registration of Shares. The Company, acting through its Board, at the earliest practicable time following the Tender Offer Purchase Time (but in no event prior to the record date for a stockholders' meeting, if necessary, called for the purpose of approving the Merger), if the number of holders of record of the Shares at such time is smaller than 300, take all steps necessary or

appropriate to terminate registration of the Shares under the Exchange Act, including without limitation the filing of Exchange Act Form 15 with the SEC and of a notice to the Nasdaq National Market to delist the Shares.

SECTION 5.4. Other Potential Acquirers.

(a) The Company, its affiliates and their respective officers, directors, employees, representatives and agents shall immediately cease any discussions or negotiations with any parties with respect to any Third Party Acquisition (as defined below). Neither the Company nor any of its affiliates shall, nor shall the Company authorize or permit any of its or their respective officers, directors, employees, representatives or agents to, directly or indirectly, encourage, solicit, participate in or initiate discussions or negotiations with or provide any non-public information to any person or group (other than Parent and Acquisition or any designees of Parent and Acquisition) concerning any Third Party Acquisition; provided, however, that nothing herein shall prevent the Board from taking and disclosing to the Company's stockholders a position contemplated by Rules 14d-9 and 14e-2 promulgated under the Exchange Act with regard to any tender offer; and provided further, that notwithstanding the foregoing, if, prior to the Tender Offer Purchase Time, the Company receives a "Potential Proposal" (defined as an unsolicited Superior Proposal (defined below) or an unsolicited proposal, offer or indication that the Company in good faith believes may lead to a Superior Proposal), then following written notice to Parent and Acquisition, the Company may provide the person making the Potential Proposal with the same non-public information that the Company supplied to Parent. The Company shall promptly, and in any event before furnishing non-public information to any such person, notify the Parent in the event it receives any proposal or inquiry concerning a Third Party Acquisition, including the terms and conditions thereof and the identity of the party submitting such proposal; and shall advise the Parent from time to time of the status and any material developments concerning the same.

(b) Except as set forth in this Section 5.4(b), the Board shall not withdraw its recommendation of the transactions contemplated hereby or approve or recommend, or cause the Company to enter into any agreement with respect to, any Third Party Acquisition. Notwithstanding the provisions of Section 5.4(a), if prior to the Tender Offer Purchase Time the Board by a majority vote determines in its good faith judgment, after consultation with and consistent with the advice of legal counsel, that it is required to do so in order to comply with its fiduciary duties, the Board may withdraw its recommendation of the transactions contemplated hereby or approve or recommend a Superior Proposal, but in each case only (i) after providing reasonable written notice to Parent (a "Notice of Superior Proposal") advising Parent that the Board has received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal and identifying the person making such Superior Proposal and (ii) if Parent does not, within three business days of Parent's receipt of the Notice of Superior Proposal, make an offer which the Company Board by a majority vote determines in its good faith judgment (consistent with the advice of a financial adviser of nationally recognized reputation) to be as favorable to the Company's stockholders as such Superior Proposal; provided, however, that the Company shall not be entitled to enter into any agreement with respect to a Superior Proposal unless and until this Agreement is terminated by its terms pursuant to Section 9.1. For the purposes of this Agreement, "Third Party Acquisition" means the occurrence of any of the following events: (i) the acquisition of the Company by merger or otherwise by any person (which includes a "person" as such term is defined in Section 13(d)(3) of the Exchange Act) other than Parent, Acquisition or any affiliate thereof (a "Third Party"); (ii) the acquisition by a Third Party of more than 20% of the total assets of the Company and its subsidiaries taken as a whole; (iii) the acquisition by a Third Party of

20% or more of the outstanding Shares; (iv) the adoption by the Company of a plan of liquidation or the declaration or payment of an extraordinary dividend; (v) the repurchase by the Company or any of its subsidiaries of more than 20% of the outstanding Shares (other than the exchange planned in connection with the Preferred Stock Issuance); or (vi) the acquisition by the Company or any subsidiary by merger, purchase of stock or assets, joint venture or otherwise of a direct or indirect ownership interest or investment in any business whose annual revenues net income or assets is equal or greater than 20% of the annual revenues net income or assets of the Company. For purposes of this Agreement a "Superior Proposal" means any bona fide proposal to acquire directly or indirectly for consideration consisting of cash and/or securities more than 50% of the Shares then outstanding or all or substantially all the assets of the Company and otherwise on terms which the Company Board by a majority vote determines in its good faith judgment (consistent with the advice of a financial adviser of nationally recognized reputation) to be more favorable to the Company's stockholders than the Merger and the Offer. At and after the Tender Offer Purchase Time, the Company shall not under any circumstances withdraw its recommendation of the transactions contemplated hereby or approve or recommend, or cause the Company to enter into any agreement with respect to, any Third Party Acquisition.

SECTION 5.5 Access to Information. From the date of this

Agreement until the Closing Time, upon reasonable prior notice, the Company shall (and shall cause each of its subsidiaries to) give the Parent and its representatives (including lenders to and financing sources for such party) full access, during normal business hours and at other reasonable times without disruption to the Company's normal business affairs, to the officers, employees, agents, books, records, contracts, commitments, properties, offices and other facilities of it and its subsidiaries, and shall furnish promptly to the Parent and its representatives such financial and operating data and other information concerning the business, operations, properties, contracts, records and personnel of the Company and its subsidiaries as the Parent may from time to time reasonably request. All information obtained by the Parent pursuant to this Section 5.5 shall be kept confidential in accordance with the confidentiality provisions of the Letter Agreement between Parent and the Company dated July 30, 1998. No representations and warranties or conditions to the consummation of the Merger contained herein or in any certificate or instrument delivered in connection herewith shall be deemed waived or otherwise affected by any investigation made by the parties or their respective representatives.

SECTION 5.6. Further Actions. (a) Each of the parties hereto
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shall use reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, and consult and fully cooperate with and provide reasonable assistance to each other party hereto and their respective representatives in order, to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable hereafter, including, without limitation, (i) using reasonable efforts to make all filings, applications, notifications, reports, submissions and registrations with, and to obtain all consents, approvals, authorizations or permits of, Governmental Entities or other persons or entities as are necessary for the consummation of the Merger and the other transactions contemplated hereby (including, without limitation, pursuant to the HSR Act, the Securities Act, the Exchange Act, Blue Sky Laws, Maryland law and other applicable laws and regulations in effect in the United States or any other jurisdiction), and (ii) taking such actions and doing such things as any other party hereto may reasonably request in order to cause any of the conditions to such other party's obligation to consummate the Merger as specified in Article 8 of this Agreement to be fully satisfied. Prior to making any application to or filing with any Governmental Entity or other person or entity in connection with this Agreement, the Company, on the one hand, and the Parent, on the

other hand, shall provide the other with drafts thereof and afford the other a reasonable opportunity to comment on such drafts.

(b) Without limiting the generality of the foregoing, each of the Parent and the Company agree to cooperate and use reasonable efforts to vigorously contest and resist any action, suit, proceeding or claim, and to have vacated, lifted, reversed or overturned any injunction, order, judgment or decree (whether temporary, preliminary or permanent), that delays, prevents or otherwise restricts the consummation of the Merger or any other transaction contemplated by this Agreement, and to take any and all actions (including, without limitation, the disposition of assets, divestiture of businesses, or the withdrawal from doing business in particular jurisdictions) as may be required by Governmental Entities as a condition to the granting of any such necessary approvals or as may be required to avoid, vacate, lift, reverse or overturn any injunction, order, judgment, decree or regulatory action (provided, however, that in no event shall any party hereto take, or be required to take, any action that could reasonably be expected to have a Material Adverse Effect on the Company or that, individually or in the aggregate, could reasonably be expected to have a Parent Material Adverse Effect).

SECTION 5.7. Public Announcements. Parent, Acquisition and the Company, as the case may be, will consult with one another before issuing any press release or otherwise making any public statements with respect to the transactions contemplated by this Agreement, including, without limitation, the Merger, and shall not issue any such press release or make any such public statement prior to such consultation except to the extent that such consultation may be prohibited by applicable law or by obligations pursuant to any listing agreement with the NYSE as determined by Parent, Acquisition or the Company, as the case may be.

SECTION 5.8. Employee Benefit Matters; Company Stock Options. The Company shall, or shall cause one of its subsidiaries to, take such action effective as of the Effective Time with respect to any Company Employee Plan as Parent shall reasonably request, including termination of any such plan. The Company shall (a) cooperate with Parent and Acquisition in obtaining waivers, in form and substance reasonably satisfactory to Parent and Acquisition, of all terms of the Company Option Plan and all terms of outstanding Company Stock Options, which terms could prevent, restrict or impair the ability of Parent, Acquisition and the Company to effectuate fully the provisions of Section 2.14, and (b) use reasonable efforts to cause its Compensation Committee to interpret the Company Option Plan, to the extent possible, so as to enable the Company, Parent and Acquisition to effectuate fully the provisions of Section 2.14.

SECTION 5.9. Expenses. Whether or not the Merger is consummated, subject to Section 9.3 hereof, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby (including, without limitation, fees and disbursements of representatives) shall be borne by the party which incurs such cost or expense; provided, however, that (a) the filing fee in connection with the filings under the HSR Act by the parties hereto required in connection herewith, and (b) all out-of-pocket costs and expenses related to the printing, filing and mailing (as applicable) of the Offer Documents, and all SEC and other regulatory filing fees incurred in connection with the Offer, shall be borne by the Parent.

SECTION 5.10. Notification of Certain Matters. The Company shall give prompt notice to Parent and Acquisition, and Parent and Acquisition shall give prompt notice to the Company, of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be likely to cause (A) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at

or prior to the Effective Time or (B) any covenant, condition or agreement contained in this Agreement not to be complied with or satisfied in all material respects and (ii) any material failure of the Company, Parent or Acquisition, as the case may be to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.10 shall not cure such breach or non-compliance or limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 5.11. Guarantee of Performance. Parent hereby guarantees the performance by Acquisition of its obligations under this Agreement.

SECTION 5.12. Tax Treatment. The Company, Parent and Acquisition acknowledge that it is their intention that the Merger shall be treated as a reorganization as that term is defined in Section 368(a) of the Code. The parties will proceed with the Merger and the other transactions contemplated hereby in a manner consistent with such intention.

SECTION 5.13 Hart-Scott-Rodino Filing. The Company may lend to the Class A Holders the amounts necessary (the "Loans") to pay filing fees for any filings required to be made by the Class A Holders under the HSR Act in connection with the transactions contemplated hereby and by the Stockholders Agreements. The Company will require repayment of each Loan in full on the earlier of (a) the third anniversary of the date the Loan was made, or (b) the date the applicable Loan recipient effects his first sale of Parent Common Stock following the Merger. Such amounts may be advanced only as a Loan; the Company shall not pay or reimburse any Class A Holder the amount of such filing fees, or any part thereof, as bonus, salary or other business expense.

SECTION 5.14 Indemnification; Directors' and Officers' Insurance. Subject to the occurrence of the Effective Time, until the third anniversary thereof, the Surviving Corporation will cause its Certificate of Incorporation and Bylaws to continue to provide indemnification provisions, for the benefit of those individuals who have served as directors or officers of the Company at any time prior to the Effective Time, comparable to such provisions as are currently contained in the Company's charter and Bylaws. In the event the Surviving Corporation or any of its successors or assigns (a) consolidates with or merges into any other person and the Surviving Corporation shall not be the continuing or surviving corporation or entity of such consolidation or merger or (b) transfer all or substantially all of its properties and assets to any person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation shall assume the obligations set forth in this Section 5.14. The Surviving Corporation shall obtain and maintain in effect for not less than three years after the Effective Time, insurance coverage substantially equivalent to the current directors' and officers' liability insurance policies currently maintained by the Company, with no lapse in such coverage and on similar terms and conditions, with respect to all matters, including the transactions contemplated hereby, occurring prior to, and including, the Effective Time; provided, however, that the Surviving Corporation may, at its option, provide such coverage as part of the insurance or self-insurance provided or guaranteed by Parent for the directors and officers of Parent and other subsidiaries of Parent.

ARTICLE 6

DISSENTING SHARES; EXCHANGE OF SHARES

SECTION 6.1 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, in the event that dissenters' rights are available in connection

with the Merger pursuant to Title 3, Subtitle 2 of the MGCL, Shares that are issued and outstanding immediately prior to the Effective Time and that are held by stockholders who did not vote in favor of the Merger and who comply with all of the relevant provisions of Title 3, Subtitle 2 of the MGCL (the "Dissenting Shares") shall not be converted into or be exchangeable for the right to receive the Cash Merger Consideration, but instead shall be converted into the right to receive such consideration as may be determined to be due to such stockholders pursuant to Title 3, Subtitle 2 of the MGCL, unless and until such holders shall have failed to perfect or shall have effectively withdrawn or lost their rights to appraisal under the MGCL. If any such holder shall have failed to perfect or shall have effectively withdrawn or lost such right, such holder's Shares shall thereupon be deemed to have been converted into and to have become exchangeable for the right to receive, as of the Effective Time, the Cash Merger Consideration without any interest thereon. The Company shall give Parent (i) prompt notice of any written demands for appraisal of Shares received by the Company and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such demands. The Company shall not, without the prior written consent of Parent, voluntarily make any payment with respect to, or settle or offer to settle, any such demands.

ARTICLE 7

CONDITIONS TO THE OFFER

SECTION 7.1. Conditions to the Offer. (a) Notwithstanding any other provisions of the Offer, to the extent that the Tender Offer Purchase Time has not occurred prior to March 1, 1999, Acquisition shall have no further obligations hereunder (other than to comply with applicable law) with respect to the Offer. Furthermore, notwithstanding any other provisions of the Offer, Acquisition shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC including Rule 14e-l(c) under the Exchange Act (relating to Acquisition's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restrictions referred to above, the payment for, any tendered Shares, and may amend the Offer consistent with the terms of this Agreement, including extending the deadline for tendering Shares, or terminate the Offer, if any of the following events shall occur:

(i) from the date of this Agreement until the Tender Offer Purchase Time, there shall have occurred any change, event, occurrence or circumstance which, individually or in the aggregate, has a Material Adverse Effect on the Company (except for changes, events, occurrences or circumstances with respect to general economic or lodging industry conditions);

(ii) from the date of this Agreement until the Tender Offer Purchase Time, any Governmental Entity or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (and if temporary or preliminary, not vacated within five business days of its entry) which is in effect at the Tender Offer Purchase Time and which (1) makes the acceptance for payment of, or the payment for, some or all of the Shares illegal or otherwise prohibits or restricts consummation of the Offer, the Merger or any of the other transactions contemplated hereby, (2) imposes material limitations on the ability of Acquisition to acquire or hold or to exercise any rights of ownership of the Shares, or effectively to manage or control the Company and its business, assets and properties or (3) has a Material Adverse Effect on the Company; provided, however, that

the parties shall use reasonable efforts (subject to the proviso in Section 5.6(b)) to cause any such decree, judgment or other order to be vacated or lifted prior to March 1, 1999;

(iii) the representations and warranties of the Company set forth in this Agreement shall not (A) have been true and correct in one or more material respects on the date hereof or (B) be true and correct in one or more material respect as of the scheduled expiration date (as such date may be extended) of the Offer as though made on or as of such date or the Company shall have breached or failed in any respect to perform or comply with any material obligation, agreement or covenant required by this Agreement to be performed or complied with by it except, in each case with respect to clause (B), (1) for changes specifically permitted by this Agreement and (2)(x) for those representations and warranties that address matters only as of a particular date which are true and correct as of such date or (y) where the failure of representations and warranties (without regard to materiality qualifications therein contained) to be true and correct, or the performance or compliance with such obligations, agreements or covenants, would not, individually or in the aggregate, have a Material Adverse Effect on the Company;

(iv) from the date of this Agreement until the Tender Offer Purchase Time, this Agreement shall have been terminated in accordance with its terms;

(v) from the date of this Agreement until the Tender Offer Purchase Time, there shall have occurred (A) a breach by the Company of any of its obligations under Section 5.4, (B) an acceptance by the Company of a Superior Proposal, or (C) a termination or a breach by any Class A Holder or Class B Holder of the applicable Stockholder Agreement;

(vi) within 5 days after its receipt of an SAS 71 comfort letter and the working papers associated therewith, Parent or Acquisition has notified the Company that such letter or working papers revealed a material misstatement in the financial information set forth in the Company's report on Form 10-Q filed with the SEC as of November 13, 1998;

(vii) from the date of this Agreement until the Tender Offer Purchase Time, the Board shall have withdrawn or modified in a manner adverse to Parent its approval or recommendation of the Offer, shall have recommended to the Company's stockholders another proposal or offer or shall have adopted any resolution to effect any of the foregoing;

(viii) from the date of this Agreement until the Tender Offer Purchase Time, any of the consents, approvals, authorizations, orders or permits required to be obtained by the Company, Acquisition, or their respective subsidiaries in connection with the Merger from, or filings or registrations required to be made by any of the same prior to the Tender Offer Purchase Time with, any Governmental Entity in connection with the execution, delivery and performance of this Agreement shall not have been obtained or made or shall have been obtained or made subject to conditions or requirements, except where the failure to have obtained or made any such consent, approval, authorization, order, permit, filing or registration or such conditions or requirements could not reasonably be expected to (A) have a Material Adverse Effect on the Company or the Parent or

(B) impose material limitations on the ability of Acquisition to acquire or hold or to exercise any rights of ownership of the Shares, or effectively to manage or control the Company and its business, assets and properties; or

(ix) from the date of this Agreement until the Tender Offer Purchase Time, there shall have occurred (A) any general suspension of trading in, or limitation on prices for, securities on the NYSE, (B) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (C) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States and having a Material Adverse Effect on the Company or materially adversely affecting (or materially delaying) the consummation of the Offer, (D) any limitation or proposed limitation (whether or not mandatory) by any United States governmental authority or agency, or any other event, that materially adversely affects generally the extension of credit by banks or other financial institutions, (E) from the date of this Agreement through the date of termination or expiration of the Offer, a decline of at least 25% in the Standard & Poor's 500 Index or (F) in the case of any of the situations described in clauses (A) through (E) inclusive, existing at the date of the commencement of the Offer, a material acceleration, escalation or worsening thereof;

which, in the reasonable judgment of Acquisition, in any such case, and regardless of the circumstances giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payments.

(b) The conditions set forth in Section 7.1(a) are for the sole benefit of Acquisition and may be asserted by Acquisition regardless of any circumstances giving rise to any condition and may be waived by Acquisition, in whole or in part, at any time and from time to time, in the sole discretion of Acquisition. The failure by Parent or Acquisition (or any affiliate of Acquisition) at any time to exercise any of the foregoing rights will not be deemed a waiver of any right and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

(c) Notwithstanding the foregoing, if within the "Cure Time" (defined below) the Company has cured one or more conditions set forth in subsections (a)(i), (ii), (iii), (vi), (viii) or (ix) of Section 7.1, and following such cure, no condition enumerated in Section 7.1(a) continues to exist, then this Article shall not relieve Acquisition of its obligations hereunder with respect to the Offer. For purposes hereof, "Cure Time" means the earlier of (A) prior to two full business days before the scheduled expiration date of the Offer (as such period may be extended) or (B) within ten full business days following notice to the Company of the existence of such condition.

ARTICLE 8

CONDITIONS TO CONSUMMATION OF THE MERGER

SECTION 8.1. Conditions to Each Party's Obligations to Effect the Merger. The respective obligations of each party hereto to effect the Merger are subject to the satisfaction at or prior to the Closing Time of the following conditions:

(a) this Agreement, the Preferred Stock Issuance, the Merger and the other transactions contemplated hereby shall have been approved by all necessary

corporate action of the Company, including, if necessary, adoption by vote of the stockholders of the Company;

(b) no Governmental Entity or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (and if temporary or preliminary, not vacated within five business days of its entry) which is in effect and which (1) makes the payment of the Class A Merger Consideration, the Class B Merger Consideration or Cash Merger Consideration illegal or otherwise prohibits or restricts consummation of the Merger or any of the other applicable transactions contemplated hereby, (2) imposes material limitations on the ability of Parent to acquire or hold or to exercise any rights of ownership of the Surviving Corporation, or effectively to manage or control the Surviving Corporation and its business, assets and properties or (3) has a Material Adverse Effect on the Company;

(c) any waiting period applicable to the Merger under the HSR Act shall have terminated or expired and any other governmental or regulatory notices or approvals required with respect to the transactions contemplated hereby shall have been either filed or received;

(d) Acquisition shall have purchased Shares pursuant to the Offer; and

(e) this Agreement and each of the Stockholder Agreements shall remain in effect; and, unless consented to by Parent or Acquisition, no Class A Holder or Class B Holder shall have defaulted under any of the provisions of the applicable Stockholder Agreement.

ARTICLE 9

TERMINATION; AMENDMENT; WAIVER

SECTION 9.1. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing Time whether before or after approval and adoption of this Agreement by the Company's stockholders:

(a) by mutual written consent of Parent, Acquisition and the Company;

(b) by Parent and Acquisition if (i) due to an occurrence or circumstance which would result in a failure to satisfy any of the conditions set forth in (A) Article 7, Parent or Acquisition shall have terminated the Offer, or (B) Article 8, Parent or Acquisition shall have declined to complete the Merger; (ii) there shall have been a breach of any covenant or agreement on the part of the Company resulting in a Material Adverse Effect on the Company or materially adversely affecting (or materially delaying) the consummation of the Merger, which shall not have been cured prior to ten full business days following notice of such breach;

(c) by the Company prior to the Tender Offer Purchase Time if (i) there shall not have been a material breach of any representation, warranty, covenant or agreement on the part of the Company and Acquisition shall have terminated the Offer without purchasing Shares therefrom; (ii) the Company shall have received a Superior Proposal, shall have furnished Parent a Notice of Superior Proposal as contemplated by Section 5.4(b) and Parent shall not, within three business days of Parent's receipt of the Notice of Superior Proposal, have made an offer which the Company Board, by a majority vote, determines in its good faith judgment (consistent with the advice of a financial

advisor of nationally recognized reputation) to be as favorable to the Company's stockholders as such Superior Proposal, provided, however, that such termination under this clause (ii) shall not be effective until payment of the fee required by Section 9.3(b) or waiver thereof pursuant to Section 9.3(c); (iii) there shall have been a breach of any representation or warranty on the part of Parent or Acquisition which materially adversely affects (or materially delays) the consummation of the Offer or (iv) there shall have been a material breach of any covenant or agreement on the part of Parent or Acquisition and which materially adversely affects (or materially delays) the consummation of the Offer which shall not have been cured prior to the earliest of (A) 10 days following notice of such breach and (B) two business days prior to the date on which the Offer expires.

SECTION 9.2. Effect of Termination. In the event of the termination and abandonment of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become void and have no effect without any liability on the part of any party hereto or its affiliates, directors, officers or stockholders other than the provisions of this Section 9.2 and Sections 5.5, 9.3, and 10.1 through 10.11 hereof. Nothing contained in this Section 9.2 shall relieve any party from liability for any breach of this Agreement.

SECTION 9.3. Fees and Expenses. (a) In the event this Agreement is terminated pursuant to certain provisions, as set forth in Section 9.3(b) below, Parent and Acquisition would suffer direct and substantial damages, which damages cannot be determined with reasonable certainty. Subject to the provisions of Section 9.3(c), to compensate Parent and Acquisition for such damages, the Company shall pay to Acquisition the amount of $4 million as liquidated damages (the "Liquidated Damages Amount") immediately upon such a termination. It is specifically agreed that the amount to be paid pursuant to this Section 9.3(a) represents liquidated damages and not a penalty.

(b) Subject to the provisions of Section 9.3(c), the Liquidated Damages Amount shall be payable (i) if the Offer is terminated pursuant to Section 7.1(a)(v); and (ii) if there shall be a proposal by a Third Party for a Third Party Acquisition, and (A) Parent and Acquisition shall have terminated this Agreement pursuant to Section 9.1(b); or (B) the Company shall have terminated this Agreement pursuant to Section 9.1(c)(ii).

(c) Notwithstanding the provisions of subsections (a) and (b) above, Acquisition may, at its sole option, waive payment of the Liquidated Damages Amount in order to exercise its options to purchase certain Shares pursuant to Section 12 of each Stockholder Agreement. In the event of such exercise, the Liquidated Damages Amount shall no longer be payable.

(d) Except as specifically provided in this Section 9.3 and in Section 5.9 each party shall bear its own expenses in connection with this Agreement and the transactions contemplated hereby.

SECTION 9.4. Amendment. This Agreement may be amended by action taken by the Board, and by Parent and Acquisition at any time before or after approval, if necessary, of the Merger by the stockholders of the Company but, after any such approval, no amendment shall be made which requires the approval of such stockholders under applicable law without such approval. This Agreement may not be amended except by an instrument in writing signed on behalf of the parties hereto.

SECTION 9.5. Extension; Waiver. At any time prior to the Closing Time, each party hereto may (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and

warranties of the other party contained herein or in any document certificate or writing delivered pursuant hereto or (iii) waive compliance by the other party with any of the agreements or conditions contained herein. Any agreement on the part of any party hereto to any such extension or waiver shall be valid only if set forth in an instrument, in writing, signed on behalf of such party. The failure of any party hereto to assert any of its rights hereunder shall not constitute a waiver of such rights.

ARTICLE 10

MISCELLANEOUS

SECTION 10.1. Nonsurvival of Representations and Warranties. The representations and warranties made herein shall not survive beyond the Tender Offer Purchase Time or a termination of this Agreement; provided, however, that this Section 10.1 shall not limit any covenant or agreement of the parties hereto which by its terms requires performance after the Tender Offer Purchase Time including, without limitation, the covenants and agreements set forth in Article 5.

SECTION 10.2. Entire Agreement; Assignment. This Agreement (a) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings both written and oral between the parties with respect to the subject matter hereof and (b) shall not be assigned by operation of law or otherwise; provided, however, that Acquisition may assign any or all of its rights and obligations under this Agreement to any subsidiary of Parent, but no such assignment shall relieve Acquisition of its obligations hereunder if such assignee does not perform such obligations.

SECTION 10.3. Validity. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and to such end the provisions of this Agreement are agreed to be severable.

SECTION 10.4. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to each other party as follows:

if to Parent or Acquisition:

MARRIOTT INTERNATIONAL, INC.
10400 Fernwood Road
Bethesda, Maryland 20857
Telecopier: (301) 380-6727
Attention: General Counsel, Dept. 52/923

with a copy to:

Gibson Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
Telecopier: (202) 467-0539
Attention: John F. Olson, Esq.

if to the Company to:	EXECUSTAY CORPORATION 7595 Rickenbacker Drive Gaithersburg, Maryland 20879 Telecopier: (301) 948-7118 Attention: Robert W. Zaugg and Gary R. Abrahams
with a copy to:	Dorsey & Whitney LLP 220 South Sixth Street Minneapolis, MN 55402-1498 Telecopier: (612) 340-2868 Attention: Jack Kramer

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

SECTION 10.5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

SECTION 10.6. Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 10.7. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its successors and permitted assigns and nothing in this Agreement express or implied is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 10.8. Certain Definitions. For the purposes of this Agreement the term:

(a) "affiliate" means a person that, directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with the first-mentioned person;

(b) "business day" means any day other than a day on which the NYSE is closed;

(c) "stock" means common stock, preferred stock, partnership interests, limited liability company interests or other ownership interests entitling the holder thereof to vote with respect to matters involving the issuer thereof;

(d) "person" means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization or other legal entity; and

(e) "subsidiary" or "subsidiaries" of the Company, Parent, the Surviving Corporation or any other person means any corporation, partnership, limited liability company, association, trust, unincorporated association or other legal entity of which the Company, Parent, the Surviving Corporation or any such other person, as the case may be, (either alone or through or together with any other subsidiary) owns, directly or indirectly, 50% or more of the capital stock the holders of which are generally entitled

to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

SECTION 10.9. Personal Liability. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect stockholder of the Company or Parent or any officer, director, employee, agent, representative or investor of any party hereto.

SECTION 10.10. Specific Performance. The parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to the consummation of the Merger, will cause irreparable injury to the other parties, for which damages, even if available, will not be an adequate remedy. Accordingly, each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder; provided, however, that if a party hereto is entitled to receive the Liquidated Damages Amount pursuant to Section 9.3 it shall not also be entitled to specific performance to compel the consummation of the Merger.

SECTION 10.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan

Title: Executive Vice President

EXECUSTAY CORPORATION

By: /s/ Gary R. Abrahams

Name: Gary R. Abrahams

Title: Chairman of the Board and Chief Executive Officer

MI SUBSIDIARY I, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan

Title: Vice President

Exhibit C

STOCKHOLDERS AGREEMENT

THIS STOCKHOLDERS AGREEMENT (the "Agreement") is dated as of January 6, 1999, by and among Marriott International, Inc., a Delaware corporation ("Marriott"), MI Subsidiary I, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Marriott ("Acquisition") and each of the other parties signatory hereto (individually, a "Stockholder" and collectively, the "Stockholders").

WHEREAS, concurrently herewith, Marriott, Acquisition and ExecuStay Corporation, a Maryland corporation ("ExecuStay"), are entering into a Merger Agreement, a form of which is appended hereto as Exhibit I (as such agreement may hereafter be amended from time to time, the "Merger Agreement"), pursuant to which ExecuStay will be merged with and into Acquisition (the "Merger"). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Merger Agreement;

WHEREAS, concurrently herewith, certain other stockholders of ExecuStay are entering into two agreements with Marriott and Acquisition (the "Other Stockholders Agreements"), concerning certain matters connected with the Merger and their ExecuStay Shares (defined below);

WHEREAS, each of the Stockholders Beneficially Owns (as defined herein) the number of shares, par value $0.01 per share, of common stock (the "Common Stock") of ExecuStay (the "ExecuStay Shares") set forth opposite such Stockholder's name on Schedule A hereto;

WHEREAS, the Merger Agreement contemplates that, in anticipation of consummation of the Merger, one share of Class A Preferred Stock, par value $0.01 per share, of ExecuStay ("Class A Shares") will be issued to each Stockholder in exchange (the "Exchange") for each ExecuStay Share held by such Stockholder (as used herein, the term "Shares" refers to the ExecuStay Shares prior to the Exchange and the Class A Shares after the Exchange);

WHEREAS, Marriott has agreed that each Stockholder shall receive shares of Marriott common stock, par value $0.01 per share ("Marriott Stock"), in the Merger, in respect of their Shares, and each such Stockholder desires to receive such Marriott Stock; and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Marriott has required that the Stockholders agree, and the Stockholders have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations, warranties, covenants and agreements contained herein, the parties hereby agree as follows:

1. Agreement to Vote; Irrevocable Proxy.

(a) Each Stockholder hereby agrees that during the period commencing at the Tender Offer Purchase Time and continuing until the first to occur of the Closing and the

termination of the Merger Agreement in accordance with its terms, at any meeting of the holders of the Shares, however called, or in connection with any written consent of the holders of Shares, such Stockholder shall vote (or cause to be voted) the Shares held of record or Beneficially Owned (as defined herein) by such Stockholder, whether owned on the date hereof or hereafter acquired, (i) in favor of approval of the Merger Agreement, all transactions contemplated thereby, and any actions required in furtherance thereof and hereof (including election of such directors of ExecuStay as Marriott is entitled to designate pursuant to the Merger Agreement); (ii) against any action or agreement that is intended, or could reasonably be expected, to impede, interfere with, or prevent the Merger or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of ExecuStay or any of its subsidiaries under the Merger Agreement, the Other Stockholders Agreements or this Agreement; and (iii) except as specifically requested in writing in advance by Marriott or Acquisition, against the following actions (other than the Exchange, the Merger and the transactions contemplated by the Merger Agreement, the Other Stockholders Agreements and this Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving ExecuStay or any of its subsidiaries or affiliates; (B) a sale, lease, transfer or disposition by ExecuStay or any of its subsidiaries of any assets outside the ordinary course of business or any assets which in the aggregate are material to ExecuStay and its subsidiaries taken as a whole, or a reorganization, recapitalization, dissolution or liquidation of ExecuStay or any of its subsidiaries or affiliates; (C)(1) any change in the management of ExecuStay or in a majority of the persons who constitute the board of directors of ExecuStay; (2) any change in the present capitalization of ExecuStay or any amendment of ExecuStay's charter or By-Laws; (3) any other material change in ExecuStay's or any of its subsidiaries' corporate structure or business; or (4) any other action that, in the case of each of the matters referred to in clauses (C)(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone or materially adversely affect the Exchange, the Merger or the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. No Stockholder shall enter into any agreement or understanding with any Person (as defined herein) the effect of which would be inconsistent with or violative of the provisions and agreements contained in Section 1 or 2 hereof.

(b) By his execution hereof and in order to secure his obligations hereunder, each Stockholder hereby grants to, and appoints, Acquisition and Kenneth R. Rehmann and Joseph Ryan, in their respective capacities as officers of Acquisition, and any individual who shall hereafter succeed to any such office of Acquisition, and any other designee of Acquisition, and each of them individually, such Stockholder's true and lawful irrevocable (until the Termination Date) proxy and attorney-in-fact (with full power of substitution) to vote the Shares, or grant a consent or approval in respect of such Shares, as indicated in Section 1(a) above, provided, however, that this proxy shall not take effect until purchase of the Shares by Acquisition at the Tender Offer Purchase Time. Each Stockholder intends this proxy to be irrevocable (from the Tender Offer Purchase Time until the Termination Date) and coupled with an interest and will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby represents that any proxy heretofore given in respect of his Shares is not irrevocable, and hereby revokes any proxy previously granted by such Stockholder with respect to the Shares. Each Stockholder understands and acknowledges that Acquisition is entering into the Merger Agreement in reliance on his execution and delivery of this irrevocable

proxy. Each Stockholder hereby affirms that this irrevocable proxy is given in connection with the execution of this Agreement and the Merger Agreement, and further affirms that this irrevocable proxy is coupled with an interest in this Agreement for the term stated herein and may under no circumstances be revoked. Such Stockholder hereby ratifies and confirms all that this irrevocable proxy may lawfully do or cause to be done by virtue hereof. This proxy is executed and intended to be irrevocable in accordance with the provisions of Section 2-507(d) of the Maryland General Corporation Law. This proxy shall terminate automatically on the termination of the Merger Agreement.

2. Other Covenants, Representations and Warranties. Each Stockholder hereby represents and warrants to Marriott and Acquisition as of the date hereof and as of the Closing as follows:

(a) Ownership of Shares. Such Stockholder is the record and Beneficial Owner of the number of Shares set forth opposite such Stockholder's name on Schedule A hereto. On the date hereof, the Shares set forth opposite such Stockholder's name on Schedule A hereto constitute all of the Shares owned of record or Beneficially Owned by such Stockholder. Such Stockholder owns such Shares free and clear of all liens, claims, charges, security interests, mortgages or other encumbrances, and such Shares are subject to no rights of first refusal, put rights, other rights to purchase or encumber such Shares, or to any agreements other than this Agreement as to the encumbrance or disposition of such Shares. Such Shares are duly and validly issued, fully paid and non-assessable. Such Stockholder has sole voting power and sole power to issue instruction with respect to the matters set forth in Section 1 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Shares set forth opposite such Stockholder's name on Schedule A hereto, with no limitations, qualifications or restrictions on such rights.

(b) Power; Binding Agreement. Such Stockholder has the legal capacity, power and authority to enter into and perform all of such Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by such Stockholder will not violate any other agreement to which such Stockholder is a party including, without limitation, any voting agreement, shareholder agreement or voting trust. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principles are applied in a proceeding at law or in equity). There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which such Stockholder is trustee who is not a party to this Agreement and whose consent is required for the execution and delivery of this Agreement or the consummation by such Stockholder of the transactions contemplated hereby. If such Stockholder is married and such Stockholder's Shares constitute community property, this Agreement has been duly authorized, executed and delivered by, and constitute a valid and binding agreement of, such Stockholder's spouse, enforceable against such person in accordance with its terms, except

as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principles are applied in a proceeding at law or in equity).

(c) No Conflicts. (i) Except for filings, permits, authorizations, consents and approvals as may be required under and other applicable requirements of the HSR Act, no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby and (ii) none of the execution or delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (A) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Stockholder is a party or by which such Stockholder or, to the best of such Stockholder's knowledge, any of such Stockholder's properties or assets may be bound, or (B) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Stockholder or any of such Stockholder's properties or assets. This Agreement hereby supersedes all prior agreements to which such Stockholder is a party with respect to such Stockholder's Shares, including without limitation any registration rights agreement with respect to any of such Stockholder's Shares.

(d) No Finder's Fees. No broker, investment banker, financial adviser or other person is entitled to any broker's, finder's, financial adviser's or other similar fee or commission in connection with the transactions contemplated by the Merger Agreement based upon arrangements made by or on behalf of such Stockholder.

(e) Other Potential Acquirers. Such Stockholder (i) shall immediately cease any existing discussions or negotiations, if any, with any parties conducted heretofore with respect to any acquisition of all or any material portion of the assets of, or any equity interest in, ExecuStay or any of its subsidiaries or any business combination with ExecuStay or any of its subsidiaries, in his or her capacity as such, and (ii) from and after the date hereof until termination of the Merger Agreement, unless and until ExecuStay is permitted to take such actions under Section 5.4 of the Merger Agreement, shall not, in such capacity, directly or indirectly, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any such transaction or acquisition, or agree to or endorse any such transaction or acquisition, or authorize or permit any of such Stockholder's agents to do so, and such Stockholder shall promptly notify Marriott or Acquisition of any proposal and shall provide a copy of any such written proposal and a summary of any oral proposal to Marriott or Acquisition immediately after receipt thereof (and shall specify

the material terms and conditions of such proposal and identify the person making such proposal) and thereafter keep Marriott or Acquisition advised of any development with respect thereto.

(f) Restriction on Transfer, Proxies and Non-Interference. Such Stockholder shall not, directly or indirectly: (i) tender his Shares in the Offer (as defined in the preamble to the Merger Agreement) or any other tender offer for ExecuStay Shares; (ii) except as contemplated by this Agreement, the Other Stockholders Agreements or the Merger Agreement, otherwise offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of such Stockholder's Shares or any interest therein; (iii) grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iv) take any action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling such Stockholder from performing such Stockholder's obligations under this Agreement.

(g) Investment Intention.

(i) Such Stockholder confirms that Marriott and Acquisition have made available to such Stockholder, and his representatives and agents, (A) information about Marriott, (B) the opportunity to ask questions of the officers and employees of Marriott and (C) the opportunity to acquire such additional information about the business and financial condition of Marriott as such Stockholder has requested, and such information has been received.

(ii) The shares of Marriott Stock to be issued to such Stockholder in connection with the Merger will be acquired for investment and not with a view to distribution of such shares within the meaning of Section 2(11) of the Securities Act.

(iii) Such Stockholder does not have in mind the sale or other disposition of shares of Marriott Stock at some fixed time in the future (such as the expiration of the holding period for capital gains tax treatment) or upon the occurrence or nonoccurrence of any particular events.

(iv) Such Stockholder is an "accredited investor" within the meaning of Section 2(a)(15) of the Securities Act.

(h) Employee Waivers. Such Stockholder will (a) cooperate with Parent and Acquisition in obtaining waivers, in form and substance reasonably satisfactory to Parent and Acquisition, of all terms of the Company Option Plan and all terms of outstanding Company Stock Options, which terms could prevent, restrict or impair the ability of Parent, Acquisition and the Company to effectuate fully the provisions of Section 2.14 of the Merger Agreement, and (b) use reasonable efforts to cause its Compensation Committee to interpret the Company Option Plan so as to enable the Company, Parent and Acquisition to effectuate fully the provisions of Section 2.14 of the Merger Agreement.

(i) Reliance by Marriott and Acquisition. Such Stockholder understands and acknowledges that Marriott and Acquisition are relying upon the foregoing representations by the Stockholder, and on the Stockholder's execution and delivery of this Agreement (i) in entering into the Merger Agreement and (ii) in issuing the Marriott Stock in connection with the Merger without registration under the Securities Act or qualification under any state securities laws (collectively, "Blue Sky Laws"). Each Stockholder agrees that the Marriott Stock will not be transferred until such time as the Form S-3 (defined below) is declared effective by the SEC.

3. Further Assurances; Merger Agreement Compliance. From time to time, at Marriott's or Acquisition's request and without further consideration, each Stockholder agrees to execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, and to cause the Company to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. Each Stockholder further agrees not to take any action, or omit to take an action, which would, or would be reasonably likely to, result in a breach by the Company of any of the provisions of the Merger Agreement.

4. Stop Transfer; Form of Legend.

(a) Each Stockholder agrees with, and covenants to, Marriott that such Stockholder shall not request that ExecuStay register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of such Stockholder's Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend or distribution, or any change in the Common Stock, the Class A Shares or the Class B Shares by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

(b) All certificates representing any of such Stockholder's Shares shall contain the following legend:

"The securities represented by this certificate are subject to certain restrictions on transfer and other terms of a Stockholders Agreement, dated as of January 6, 1999, among Marriott International, Inc., MI Subsidiary I, Inc. and the parties listed on the signatures pages thereto, a copy of which is on file in the principal office of Marriott International, Inc."

5. Stock Issuance and Registration.

(a) In accordance with the provisions of Section 2.1 of the Merger Agreement, immediately prior to the Merger, ExecuStay will, in the Exchange, issue to the Stockholders on a share-for-share basis, Class A Shares in exchange for Common Stock held of record or Beneficially Owned by them. In the Merger, each Stockholder shall receive, in respect of each

Class A Share held of record or Beneficially Owned by such Stockholder, shares of Marriott Stock in an amount determined by the "Class A Exchange Ratio" as defined in Section 2.9(b) of the Merger Agreement.

(b) Marriott shall, no later than the First Registration Date (as defined below), file with the SEC and thereafter use its reasonable efforts to cause to be declared effective, a registration statement on Form S-3 or an equivalent successor form (the "Form S-3") relating to the offer and sale from time to time by the Stockholders of shares of Marriott Stock held by them that are Registrable Securities. As used herein, the "First Registration Date" means the later of (i) 30 days following the Closing Time, or (ii) April 30, 1999, provided, however, that if on such date Marriott is not eligible to use Form S-3 for registration of the resale of Registrable Securities as provided herein, then the First Registration Date shall be the earliest date after April 30, 1999 on which Marriott becomes eligible to use Form S-3 in connection with such resale registration. Subject to the limitations contained herein, Marriott shall use its reasonable efforts to keep the Form S-3 continuously effective in order to permit the prospectus forming part thereof to be usable by the Stockholders for a period of one year from the Closing Time, or for such shorter period that will terminate when all Registrable Securities covered by the Form S-3 have been sold pursuant to the Form S-3 or cease to be outstanding or otherwise to be Registrable Securities.

(c) Marriott further agrees, if necessary, to supplement or amend the Form S-3, as required by Section 6 below, and to furnish to Stockholders holding Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(d) Marriott agrees to use its reasonable efforts to ensure that (i) the Form S-3 and any amendments thereof, at the time each such Form S-3 or amendment thereof becomes effective, and any prospectus forming a part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) the Form S-3 and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of the Form S-3, and any supplement to such prospectus (as amended or supplemented from time to time)(each, as of the date thereof), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading; provided that clauses (ii) and (iii) of this paragraph shall not apply to any information provided by a Stockholder.

(e) No Stockholder may use the Form S-3 unless he provides Marriott with the information required by Section 8 of this Agreement on a timely basis. Notwithstanding any other provision herein or in the Merger Agreement, (i) Marriott shall have no obligation under Sections 5 or 6 hereof with respect to any shares of Marriott Stock that are (x) not Registrable Securities or (y) held of record or Beneficially Owned by a Stockholder who has not performed his obligations under, or otherwise has breached, violated or is in default under, the Agreement or the Merger Agreement, and (ii) all obligations of Marriott under Sections 5 and 6 hereof automatically shall terminate and be of no further force or effect in the event that the Merger Agreement is terminated or the Offer or the Merger is not consummated.

(f) Notwithstanding any other provision herein, Marriott may delay filing the Form S-3, may withhold efforts to cause the Form S-3 to become effective, and may advise holders of Registrable Securities to suspend use of the prospectus that is part of the Form S-3, for limited periods of time if and to the extent that Marriott reasonably determines in good faith that any such action is necessary in order for Marriott to comply with its disclosure obligations under Section 5(d) hereof. In the event that Marriott advises the holders of registered Registrable Securities that Marriott considers it appropriate to suspend the use of the prospectus, such holders shall suspend any further sales of their registered securities until Marriott advises them that the Form S-3 has been amended or that such sales may be resumed.

6. Registration Procedures.

(a) Marriott shall prepare and file a Form S-3, within the relevant time period specified in Section 5(a), and use its reasonable efforts to cause such Form S-3 to become effective and remain effective in accordance with Section 5 hereof.

(b) Marriott shall prepare and file such amendments and post-effective amendments to the Form S-3 as may be necessary under applicable law to keep such Form S-3 effective for the applicable period; and cause each prospectus that is part of the Form S-3 to be supplemented by any required prospectus supplement, and as so supplemented to be filed with the SEC pursuant to applicable requirements of the Securities Act and the rules and regulations thereunder.

(c) Marriott shall use its reasonable efforts to register or qualify the Registrable Securities under all applicable Blue Sky Laws as any Stockholder holding Registrable Securities covered by the Form S-3 shall reasonably request; provided, however, that Marriott shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 6(c), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject.

(d) Marriott shall furnish to each Stockholder of Registrable Securities, without charge, as many copies of each prospectus and any amendment thereof or supplement thereto as such Stockholder may reasonably request.

(e) Marriott shall cooperate with the selling Stockholders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends.

(f) Marriott shall cause all Registrable Securities covered by the Form S-3 to be listed on the NYSE.

7. Transfer Restrictions on Marriott Stock.

(a) No Stockholder shall directly or indirectly offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance or other disposition of, or exercise any discretionary powers to

distribute, any or all of the Marriott Stock owned by it or any interest therein; provided, however, that the transfer restrictions set forth in this Section 7 shall not apply: (a) as of the Effective Time, to one-third of the shares of the Marriott Stock held of record or Beneficially Owned by such Stockholder on the Effective Time (the "Effective Time Shares"); (b) as of the first anniversary of the Effective Time, to an additional one-third of the Effective Time Shares; and (c) as of the second anniversary of the Effective Time, to the remaining one-third of the Effective Time Shares. All certificates representing any of the Stockholders' shares of Marriott Stock shall contain the legend set forth in Section 4(b) hereof.

(b) Notwithstanding anything herein to the contrary, with respect to Effective Time Shares held by a Stockholder, the transfer restrictions set forth in Section 7(a) hereof shall expire and be of no further force or effect in the event of, and immediately upon, a termination by Acquisition of such Stockholder's employment without cause.

8. Condition Precedent. It shall be a condition precedent to the obligations of Marriott to take any action pursuant hereto that the Stockholders shall furnish to Marriott such information regarding them, the Registrable Securities held by them and the intended method of disposition of such Registrable Securities as Marriott shall reasonably request and as shall be required in connection with the action to be taken by Marriott.

9. Expenses of Registration. All expenses incurred in connection with any registrations pursuant to Section 5 hereof, including without limitation all registration and qualification fees, printers' and accounting fees, reasonable fees and disbursements of counsel for Marriott, shall be borne by Marriott, except for (a) fees and disbursements of counsel for the selling Stockholders, and (b) any underwriting or brokers' discounts or similar transaction fees, which shall be borne by the selling Stockholders.

10. Indemnification.

(a) Marriott agrees to indemnify and hold harmless each Stockholder and each person, if any, who controls such Stockholder within the meaning of the Securities Act (the "Holder Indemnified Parties"), against any losses, claims, damages or liabilities, joint or several, to which any Holder Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based on any Misstatement (defined below) in the Form S-3 or any amendments thereof or supplements thereto. Marriott will reimburse each such Holder Indemnified Party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 10(a), the indemnity agreement contained in this paragraph 10(a) shall not (i) apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Marriott (which consent shall not be unreasonably withheld); (ii) apply to any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Misstatement made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder Indemnified Party.

(b) Each Stockholder agrees to indemnify and hold harmless Marriott, each of its directors, each of its officers who have signed the Form S-3, and each person, if any, who controls Marriott within the meaning of the Securities Act, and each agent (the "Marriott Indemnified Parties") against any losses, claims, damages or liabilities to which any Marriott Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) (i) arise out of or are based upon any Misstatement in the Form S-3 and any amendments thereof or supplements thereto made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder Indemnified Party. Each such Stockholder will reimburse any legal or other expenses reasonably incurred by such Marriott Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 10(b), the indemnity agreement contained in this Section 10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such Stockholder (which consent shall not be unreasonably withheld).

(c) If the indemnification provided for in this Section 10 is unavailable to an indemnified party under Section 10(a) or Section 10(b) above (other than by reason of exceptions provided in those Sections) in respect of any losses, claims, damages or liabilities referred to in such Sections, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefit and relative fault as well as any other equitable considerations. The amount paid or payable by a party as a result of the losses, claims, damages, or liabilities referred to above shall be deemed to include, subject to the limitations set forth in Section 10(d), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The relative benefit shall be determined by the allocation of proceeds from such Form S-3. The relative fault of the indemnified party on the one hand and of the indemnifying party on the other shall be determined by reference to, among other things, whether the Misstatement or alleged Misstatement relates to information supplied by the indemnified party or the indemnifying party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Misstatement or alleged Misstatement. Marriott and the Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 10(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) Any person entitled to indemnification hereunder will: (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification; and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled or elects not to assume the defense of a

claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to his ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this paragraph, but the omission so to notify the indemnifying party will not relieve him of any liability that he may have to any indemnified party otherwise than under this Section.

11. Termination of Marriott's Obligations. Marriott shall have no obligations pursuant to Section 6 with respect to Registrable Securities more than one year after the Closing.

12. Employment Agreements. Following the date hereof, but prior to the commencement of the Offer, each Stockholder agrees to negotiate and execute employment agreements with respect to his employment by Acquisition following the Closing, in accordance with the form of employment agreement attached as Exhibit II.

13. The Options. Each Stockholder hereby agrees as follows:

(a) Grant of Options. Subject to the terms of this Section 13, each Stockholder hereby grants to Acquisition (or its designee), effective upon the purchase of the Shares by Acquisition at the Tender Offer Purchase Time, an irrevocable option (each, an "Option") to purchase all Shares held of record or Beneficially Owned by such Stockholder at a purchase price per Share equal to $13.

(b) Exercise of Options. Acquisition may exercise the Options, in whole or in part, at any time and from time to time, following the occurrence of a Purchase Event (as defined below); provided that any Options not theretofore exercised shall expire and be of no further force and effect upon the earliest to occur (the "Expiration Date") of (i) the Closing Time, (ii) 5 months after the first occurrence of a Purchase Event, or (iii) termination of the Merger Agreement in accordance with its terms. Notwithstanding anything herein to the contrary, in the event of termination of the Merger Agreement, Marriott at its option either may elect to exercise the Options, or may accept payment of the Liquidated Damages Amount provided for in Section 9.3 of the Merger Agreement, but shall not be entitled to exercise the Options and retain Liquidated Damages Amount. In the event Marriott determines to exercise the Options, promptly upon a termination of the Merger Agreement giving rise to payment of the Liquidated Damages Amount, Marriott shall notify ExecuStay of its waiver of receipt of the Liquidated Damages Amount pursuant to the Merger Agreement.

As used herein, a "Purchase Event" shall mean any of the following events that occurs after the date hereof:

(i) Beneficial Ownership of more than 20% of the outstanding capital stock of ExecuStay (or rights to acquire such capital stock of ExecuStay) shall have been acquired by any Person or "group" other than Acquisition, any affiliate of Acquisition or one or more of the Stockholders;

(ii) ExecuStay shall have entered into a definitive agreement or approved or recommended any proposal which provides for the acquisition of 20% or more of the outstanding capital stock of ExecuStay or substantially all of the assets of ExecuStay by any Person or group other than Acquisition, an affiliate of Acquisition or one or more of the Stockholders;

(iii) (A) the failure of ExecuStay's stockholders to approve the Merger Agreement or the transactions contemplated thereby at a meeting called to consider such Merger Agreement, if such meeting shall have been preceded by (x) the public announcement by any Person or group (other than Acquisition or an affiliate of Acquisition) of an offer or proposal to acquire, merge or consolidate with ExecuStay, or (y) the Board of Directors of ExecuStay's publicly withdrawing or modifying, or publicly announcing its intent to withdraw or modify, its recommendation that the stockholders of ExecuStay approve the transactions contemplated by the Merger Agreement, as prohibited by Section 5.4(b) of the Merger Agreement; or (B) the acceptance by ExecuStay's Board of Directors of, or the public recommendation by ExecuStay's Board of Directors that the stockholders of ExecuStay accept, an offer or proposal from any Person or group (other than Acquisition or an affiliate of Acquisition), to acquire 20% or more of the outstanding capital stock of ExecuStay or for a merger or consolidation or any similar transaction involving ExecuStay, as prohibited by Section 5.4(b) of the Merger Agreement;

(iv) a proposal made by a third party to ExecuStay, its affiliates or their respective officers, directors, employees, representatives or agents, as described in Section 5.4 of the Merger Agreement, resulting in a breach by ExecuStay of the covenant and obligation contained in that Section 5.4 and such breach (x) would entitle Acquisition or Marriott to terminate the Merger Agreement pursuant to Section 9.1(b) thereof and (y) shall not have been cured prior to the date that Acquisition duly gives notices to the Stockholder of its desire to exercise an Option pursuant to Section 13 hereof; or

(v) any breach by a Stockholder of this Agreement.

(c) Notice of Exercise. To exercise an Option, Acquisition shall, prior to the Expiration Date, give written notice to the Stockholder who granted such Option specifying the location in Maryland or Washington, D.C. and time for the closing (the "Option Closing") of such purchase. The Option Closing shall be held on the date that is no later than three business days after the date on which each of the conditions set forth in Section 13(d) below has been satisfied or waived by Acquisition.

(d) Conditions to Option Closing Following Exercise of Options. The occurrence of the Option Closing shall be subject to the satisfaction of each of the following conditions:

(i) to the extent necessary, any applicable waiting periods (and any extension thereof) under the HSR Act with respect to the purchase of the Shares following the exercise of an Option shall have expired or been terminated; and

(ii) no preliminary or permanent injunction or other order, decree or ruling issued by any court of governmental or regulatory authority, domestic or foreign, of competent jurisdiction prohibiting the exercise of an Option or the delivery of Shares shall be in effect.

(e) Transferability of Options. Acquisition may sell or transfer the Options and any Shares acquired upon exercise of an Option at any time, without the written consent of the Stockholder, to any affiliate or affiliates of Acquisition.

(f) Payment for and Delivery of Certificates. At the Option Closing, (i) Acquisition (or its designee) shall pay, by check, an amount equal to the product of (x) $13 and (y) the number of Shares owned by such Stockholder; and (ii) each Stockholder whose Shares are being purchased shall deliver or shall cause to be delivered to Acquisition a certificate or certificates evidencing such Stockholder's Shares, and such Stockholder agrees that such Shares shall be transferred free and clear of all liens. All such certificates representing Shares shall be duly endorsed in blank, or with appropriate stock powers, duly executed in blank, attached thereto, in proper form for transfer, with the signature of such Stockholder thereon guaranteed, and with all applicable taxes paid or provided for.

14. Termination. Except as otherwise provided herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the earliest of (a) termination of the Merger Agreement in accordance with its terms, or (b) the Effective Time.

15. Stockholder Capacity. No person executing this Agreement who is or becomes during the term hereof a director or executive officer of ExecuStay makes any agreement or understanding herein in his or her capacity as such director or executive officer. Each Stockholder signs solely in his or her capacity as the record and/or beneficial owner of such Stockholder's Shares.

16. Waiver of Appraisal and Dissenter's Rights. Each Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that such Stockholder may have.

17. Restrictive Covenants

(a) The parties acknowledge and agree that the Class A Merger Consideration, the Class B Merger Consideration and the Cash Merger Consideration to be transferred in connection with the consummation of the Offer and the Merger constitute consideration for, among other things, the confidential information, trade secrets, intellectual property, and customer and vendor goodwill of the Company and the Company's investment in the skills and know-how of its employees. In recognition thereof, the Stockholders hereby agree to be bound by the covenants set forth in this Section 17, subject to the terms and conditions set forth herein, for the period beginning on the date of the Closing and ending on the seventh anniversary of the date of the Closing (the "Restriction Period").

(b) The Stockholders agree that during the Restriction Period the Stockholders will not, without the written consent of Marriott, in each instance directly or indirectly, carry on

or participate in a business that is the same as or is similar to or in competition with a business (a "Competing Business") conducted or engaged in by the Company or any of its subsidiaries as of the date hereof (a "Company Business") within the Restricted Area (as defined below). The "Restricted Area" shall mean the geographic area that is within 100 miles of a location at which Marriott or any of its subsidiaries or affiliates is conducting or engaging in a Company Business during the Restriction Period.

(c) The term "carry on or participate in a business" shall include engaging in any of the following activities, directly or indirectly, other than carrying on or engaging in activities expressly permitted under this Agreement:

(i) Carrying on or engaging in a Competing Business as a principal, or on his own account, or solely or jointly with others as a director, officer, agent, employee, consultant or partner, or stockholder, limited partner or other interest holder owning more than five (5) percent of the stock or equity interests or securities convertible into more than five (5) percent of the stock of or equity interests in any entity.

(ii) As agent or principal carrying on or engaging in any activities or negotiations with respect to the acquisition or disposition of a Competing Business.

(iii) Extending credit for the purpose of establishing or operating a Competing Business.

(iv) Lending or allowing his name or reputation to be used in a Competing Business.

(v) Giving advice to any other person or entity carrying on or engaging in a Competing Business.

(vi) Otherwise allowing his skill, knowledge or experience to be used in a Competing Business.

(d) The Stockholders agree that during the Restriction Period the Stockholders will not, without the written consent of Marriott, in each case directly or indirectly, solicit, raid, entice, induce or offer any person who is employed by Marriott or any of its subsidiaries or affiliates in a Company Business to become employed by any person or entity in any business whether or not it is a Competing Business.

(e) The Stockholders agree that during the Restriction Period the Stockholders will not, without the written consent of Marriott, in each case directly or indirectly, solicit business for a Competing Business from any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(f) The Stockholders agree that during the Restriction Period the Stockholders will not, without the written consent of Marriott, in each case directly or indirectly, provide, or arrange for or assist in the provision of services by a Competing Business to any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(g) Upon breach of this Section 17 by any Stockholder, Marriott shall be entitled to injunctive relief, both pendente lite and permanently, against the breaching Stockholder, as a remedy at law would be inadequate. In addition, Marriott shall be entitled to such damages as it can show it has sustained, directly or indirectly, by reason of such a breach, and neither Marriott nor any of its subsidiaries or affiliates shall be limited in such damages to the consideration paid to the breaching Stockholder pursuant to the Merger Agreement. Nothing in this Agreement shall be construed as limiting Marriott's remedies in any way.

(h) Except as permitted or directed by Marriott or in connection with his employment by Marriott or one of its subsidiaries or affiliates, each Stockholder agrees to keep confidential and not to divulge or use any information, materials, methods or developments of any nature and in any form that at the time or times concerned is not generally known to those persons engaged in a Competing Business and that relates to any one or more aspects of a Company Business which the Stockholder has acquired or become acquainted with prior to the termination of his employment with the Company or Marriott or any of its subsidiaries or affiliates, whether developed by the Stockholder or by others, including, without limitation, internal business policies, processes, techniques, know-how, development plans, financial matters, customers and customer lists, vendors and vendor lists, leases and sub-leases or any other confidential information or secret aspect of any Company Business. Each Stockholder acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company and that any disclosure or use of such knowledge or information other than for the sole benefit of the Company or Marriott or any of its subsidiaries or affiliates would be wrongful and would cause irreparable harm to Marriott and its subsidiaries and affiliates. The terms of this paragraph shall survive the Restriction Period.

(i) The validity, interpretation, performance, and enforcement of the provisions of this Section 17 shall be governed by the laws of the State of Maryland without reference to the conflict of laws provisions thereof. To the extent that any provision of this Section 17 shall be determined to be invalid or unenforceable, the invalid or unenforceable portion of such provision shall be deleted from this Agreement, and the validity and enforceability of the remainder of such provision and of this Section 17 shall be unaffected. In furtherance and not in limitation of the foregoing, it is expressly agreed that, should the duration of, or geographical extent of, or business activities covered by, the covenants contained in this Section 17 be determined to be in excess of that which is valid or enforceable under applicable law, then such covenants shall be construed to cover only that duration or geographical extent or those activities that may be validly covered and enforced; provided, however, that to the full extent that the provisions of any applicable law may be waived by a Stockholder, they are hereby waived, such that this Section 17 may be deemed to be valid and enforceable to the greatest possible extent. The Stockholders acknowledge the uncertainty of the law in this respect and expressly stipulate that this Section 17 shall be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law.

18. Miscellaneous.

(a) Certain Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings:

(i) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a Person shall include securities Beneficially Owned by all other Persons with whom such Person would constitute a "group" as within the meanings of Section 13(d)(3) of the Exchange Act.

(ii) "Misstatement" means an untrue statement of a material fact or an omission to state a material fact required to be stated in a publicly-filed document necessary to make the statements in such a document not misleading; provided, however, that such term shall not apply to any statement or omission based on information supplied by an indemnified person to an indemnifying person for inclusion in the publicly-filed document.

(iii) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(iv) "register," "registered," and "registration" refer to a registration effected by preparing and filing with the SEC a registration statement in compliance with the Securities Act and the declaration or ordering by the SEC of effectiveness of such registration statement.

(v) "Registrable Securities" refers to any and all of the shares of Marriott Stock held by the Stockholders as of the Closing, except that any such Marriott Stock shall cease to be Registrable Securities when and to the extent (A) a Form S-3 with respect to the sale of such Marriott Stock has become effective under the Securities Act and such Marriott Stock has been disposed of in accordance with such Form S-3; (B) such Marriott Stock has been sold to the public pursuant to Rule 144 or any successor provision under the Securities Act; (C) such Marriott Stock shall have been otherwise transferred, new certificates therefor not bearing a legend restricting further transfer shall have been delivered by Marriott and subsequent disposition of such Marriott Stock does not require registration or qualification under the Securities Act or any similar state law then in force in the opinion of legal counsel for Marriott; or (D) such Common Stock shall have ceased to be outstanding.

(vi) "subsidiary " or "subsidiaries " of Marriott, Acquisition, ExecuStay or any other person means any corporation, partnership, limited liability company, association, trust, unincorporated association or other legal entity of which the Marriott, Acquisition, ExecuStay or any such other person, as the case may be, (either alone or through or together with any other subsidiary) owns, directly or indirectly, 50% or more of the capital stock the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

(b) Entire Agreement. This Agreement, the Other Stockholder Agreements and the Merger Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Certain Events. Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, such Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Marriott may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Marriott, but no such assignment shall relieve Marriott of its obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to any one or more Stockholders, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule A hereto may be supplemented by Marriott by adding the name and other relevant information concerning any Stockholder of ExecuStay who agrees to be bound by the terms of this Agreement (by executing a counterpart signature page hereof) without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be addressed to the respective parties at the following addresses:

If to any Stockholder:	At the addresses set forth on Schedule A hereto.
If to Marriott or Acquisition:	MARRIOTT INTERNATIONAL, INC. 10400 Fernwood Road Bethesda, Maryland 20857 Telecopier: (301) 380-6727 Attention: General Counsel, Dept. 52/923
with a copy to:	Gibson, Dunn & Crutcher LLP

1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
Telephone: (202) 955-8522
Facsimile: (202) 467-0539
Attention: John F. Olson, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(l) Governing Law. Except as to Section 17, which shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflicts of laws thereof, this Agreement shall be governed and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of laws thereof.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Marriott and Acquisition have caused this Agreement to be duly executed, and each Stockholder has duly executed this Agreement, as of the day and year first above written.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Executive Vice President and General Counsel

MI SUBSIDIARY I, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Vice President

/s/ Gary R. Abrahams
- ---
Gary R. Abrahams

/s/ Marc B. Kaplan
- ---
Marc B. Kaplan

/s/ Robert W. Zaugg
- ---
Robert W. Zaugg

SCHEDULE A

NAME OF STOCKHOLDER	ADDRESS	NUMBER OF SHARES OWNED
Gary R. Abrahams	c/o ExecuStay Corporation 7595 Rickenbacker Drive Gaithersburg, Maryland 20879	1,187,500
Marc B. Kaplan	c/o ExecuStay Corporation 7595 Rickenbacker Drive Gaithersburg, Maryland 20879	1,187,500
Robert W. Zaugg	c/o ExecuStay Corporation 7595 Rickenbacker Drive Gaithersburg, Maryland 20879	1,187,500

Exhibit __
Form of Employment Agreement

Employment Agreement

This Employment Agreement (the "Agreement") is entered into this ____ day of _____, 1999 by and among Marriott International, Inc., a Delaware corporation ("Marriott"), MI Subsidiary I, Inc. (to be renamed ExecuStay, Inc.), a Delaware corporation and a direct, wholly-owned subsidiary of Marriott ("ExecuStay") and _____, a resident of the state of Maryland ("Employee").

WHEREAS, pursuant to the terms and conditions of the Merger Agreement Dated as of _____ __, 1999 Among Marriott, ExecuStay Corporation, a Maryland Corporation ("Old ExecuStay") and ExecuStay (the "Merger Agreement"), Old ExecuStay agreed to merge with and into ExecuStay (the "Merger"); and

WHEREAS, pursuant to the terms and conditions of the Stockholders Agreement dated as of _____ __, 1999 by and among Marriott, ExecuStay and each of the other parties signatory thereto (the "Stockholders Agreement"), including Employee, the parties agreed to enter into this Agreement; and

WHEREAS, contingent upon the consummation of the Merger, ExecuStay wishes to employ Employee on the terms and conditions set forth in this Agreement, and Employee wishes to be employed by ExecuStay on such terms and conditions;

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration the receipt and sufficiency of which is acknowledged, Marriott, ExecuStay and Employee agree as follows:

1. Employment. Contingent upon consummation of the Merger, ExecuStay agrees to employ Employee, and Employee accepts such employment for the period and upon the terms and conditions set forth in this Agreement. Marriott and ExecuStay will recognize continuous service of Employee with ExecuStay prior to the Merger as prior service with Marriott and its affiliates.

2. Term. Unless terminated earlier in accordance with the terms of this Agreement, the term of Employee's employment shall be for a period of three (3) years commencing on the date of the Closing (as defined in the Merger Agreement) and ending on the third anniversary of the Closing (the "Term"), subject to extension by mutual agreement of the parties.

3. Position and Duties. Employee will serve as [Title] of ExecuStay and perform such duties consistent with Employee's position and such other reasonable duties as the Board of Directors of ExecuStay shall assign Employee from time to time. Employee agrees to devote Employee's full time, attention and efforts to the business and affairs of ExecuStay during the

Term. Employee agrees to comply with all practices, policies, standards, rules and regulations of Marriott and ExecuStay that are established from time to time. Employee shall not at any time during the Term render or perform any services for compensation to any other person or entity other than ExecuStay and its related entities, unless given express permission to do so by ExecuStay.

4. Location. The principal place of employment and the location of Employee's principal office and normal place of work shall be the Baltimore-Washington, D.C. metropolitan area; provided, however, that Employee shall perform such temporary travel away from that area as is reasonably required for the proper rendition of services under this Agreement, subject to reimbursement for reasonable travel expenses in accordance with Marriott policies and procedures.

5. Compensation.

(a) Base Salary. During the Term, ExecuStay shall pay Employee an annual base salary ("Base Salary") of $175,000, payable in biweekly installments in accordance with Marriott's payroll practices for managers less applicable withholding amounts.

(b) Annual Bonus. During the Term, Employee will participate in the Marriott bonus program during each fiscal year of Marriott. The annual bonus ("Annual Bonus") will be awarded in cash in accordance with Marriott policies; provided that the minimum bonus will be 25 percent of Base Salary earned during the period and the maximum bonus will be 40 percent of Base Salary earned during the period, in each case less applicable withholding amounts. If Employee's employment terminates at the end of the Term without renewal or replacement of this Agreement or an offer to continue employment in the same position with ExecuStay, a pro rata Annual Bonus for the portion of the fiscal year in which termination occurs will be paid to Employee.

(c) Deferred Bonus Stock. During the Term, Employee will participate in the Marriott deferred bonus stock program under the Marriott 1998 Comprehensive Stock and Cash Incentive Plan (the "Stock Plan"), pursuant to which Employee will receive a deferred bonus stock award for each fiscal year having a value of 20 percent of Employee's Annual Bonus for that fiscal year. Employee must be employed on the last day of the fiscal year in order to participate in the deferred bonus stock program for that fiscal year. The deferred bonus stock award will be subject to the terms of the Stock Plan, including those related to vesting.

(d) Stock Options. During the Term, Employee will participate in the Marriott stock option program under the Stock Plan, pursuant to which Employee will be eligible to receive an annual award of options to purchase Marriott Common Stock in

amounts determined by the Compensation Policy Committee of the Marriott Board of Directors. The stock options will be subject to the terms of the Stock Plan and the award agreement.

(e) Supplemental Stock Option. A supplemental option to acquire Marriott Common Stock under the Stock Plan will be issued to Employee on the first business day following the Merger on which Marriott Common Stock is publicly traded on the New York Stock Exchange, substantially in the form attached hereto as Exhibit A (the "Supplemental Option"). The exercise price of the Supplemental Option will be the average of the high and low trading prices of Marriott Common Stock on the New York Stock Exchange on the date on which the Supplemental Option is granted.

(f) Supplemental Bonus. In addition to the Annual Bonus described above, for fiscal years 1999, 2000 and 2001, Employee will be entitled to a supplemental bonus ("Supplemental Bonus") of $150,000 per year if 110 percent of the Target Rate specified in the Supplemental Option for those fiscal years is reached or exceeded; provided that the EBITDA of ExecuStay grows at a cumulative annual rate (but not compounded) of at least 35 percent beginning with the 1999 fiscal year. A percentage of the Supplemental Bonus will be earned if at least 105 percent of the Target Rate is reached according to the following schedule:

At least this percentage of the Target Rate is reached	Percentage of Supplemental Bonus Earned
105	10
106	20
107	30
108	50
109	70
110	100

The determination of EBITDA, any adjustments thereto and the achievement of Target Rates shall be determined in the same manner as for the Supplemental Option. This Supplemental Bonus, if any, shall be excluded from the bonus amount taken into account for purposes of calculating the deferred bonus stock award described in Section 5(c) above.

(g) Other Benefits. Employee shall be entitled to participate in such other benefits, including welfare benefit plans, executive deferred compensation plans and fringe benefit policies as are generally applicable to managers employed by ExecuStay. In the ordinary course of business, benefit programs evolve as business needs and laws

change. To the extent it becomes necessary and desirable to change any of the plans in which ExecuStay managers participate, such changes will apply to Employee as they do to other ExecuStay managers.

6. Termination of Employment.

(a) Death and Disability. This Agreement and Employee's employment shall terminate upon the date of Employee's death and upon the date Employee is determined to be suffering from a Permanent Disability as that term is defined in the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan. In either such event ExecuStay shall be obligated to pay Employee, if living, or the Employee's estate, accrued and unpaid Base Salary through the date of termination and a pro rata maximum Annual Bonus and pro rata Supplemental Bonus if the Target Rate was met as of the preceding quarterly interim period (each such bonus will be pro rated based on the number of days in the fiscal year up to the date of termination divided by 360) and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee, Employee's estate or Employee's beneficiaries with respect to any such award or plan, including with respect to the Supplemental Option.

(b) Termination For Cause. This Agreement and Employee's employment shall terminate upon ExecuStay terminating Employee's employment "for cause" during the Term. For purposes of this Agreement, "for cause" shall mean (i) any fraud, misappropriation or embezzlement by Employee; (ii) any conviction of or nolo contendere plea to a felony or gross misdemeanor by Employee; (iii) any neglect by Employee to perform the duties assigned to Employee hereunder, provided that Employee shall first have received a written notice from ExecuStay which sets forth the manner in which Employee has neglected Employee's duties and Employee shall have a period of thirty days to cure unless a cure cannot be reasonably effected within such period; (iv) any material breach by Employee of Employee's obligations under this Agreement; and (v) any public conduct of Employee that has or can reasonably be expected to have a detrimental effect on ExecuStay. In the event Employee is terminated for cause, ExecuStay shall be obligated to pay Employee accrued and unpaid Base Salary through the date of termination and shall have no further obligation to Employee.

(c) Termination Other Than For Cause. This Agreement and Employee's employment shall terminate upon ExecuStay terminating Employee's employment other than "for cause" as defined in Section 6(b) above. ExecuStay reserves the right to terminate Employee's employment for any reason during or after the Term. In the event that ExecuStay terminates Employee's employment other than "for cause", ExecuStay shall pay Employee the Base Salary and the maximum Annual Bonus through the

remainder of the Term and a pro rata Supplemental Bonus if the Target Rate was met as of the preceding quarterly interim period (such bonus will be pro rated based on the number of days in the fiscal year up to the date of termination divided by 360) and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee with respect to such award or plan, including with respect to the Supplemental Option; and provided further that Employee shall not be entitled to any benefits under the Marriott Severance Plan or any other plan, policy or arrangement providing for severance or similar pay or benefits following termination of employment. Following termination other than "for cause," Employee shall not be entitled to any further awards of deferred bonus stock or stock options.

(d) Resignation From Employment. This Agreement and Employee's employment shall terminate if Employee voluntarily resigns from employment with ExecuStay. In such event, ExecuStay shall be obligated to pay Employee accrued and unpaid Base Salary through the date of termination and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee, with respect to any such award or plan, including with respect to the Supplemental Option.

(e) Return of Property. Upon termination of Employee's employment for any reason, Employee shall promptly deliver to ExecuStay all records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, data or copies thereof, and all other tangible property of ExecuStay or Marriott, that are in Employee's possession or under Employee's control.

7. Employment Covenants and Agreements.

(a) Non-Competition.

(1) While Employee is employed by ExecuStay or another Marriott affiliate and for a period of three (3) years following termination of employment (the "Restriction Period"), Employee will not, without the written consent of ExecuStay, in each instance directly or indirectly, carry on or participate in a business that is the same as or is similar to or in competition with a business (a "Competing Business") conducted or engaged in by ExecuStay or any of its subsidiaries (a "Company Business") within the Restricted Area (as defined below). The "Restricted Area" shall mean the geographic area that is within 100 miles of a location at which Marriott or any of its subsidiaries or affiliates is conducting or engaging in a Company Business during the Restriction Period.

(2) The term "carry on or participate in a business" shall include engaging in any of the following activities, directly or indirectly, other than carrying on or engaging in activities expressly permitted under this Agreement:

(i) Carrying on or engaging in a Competing Business as a principal, or on his own account, or solely or jointly with others as a director, officer, agent, employee, consultant or partner, or stockholder, limited partner or other interest holder owning more than five (5) percent of the stock or equity interests or securities convertible into more than five (5) percent of the stock of or equity interests in any entity.

(ii) As agent or principal carrying on or engaging in any activities or negotiations with respect to the acquisition or disposition of a Competing Business.

(iii) Extending credit for the purpose of establishing or operating a Competing Business.

(iv) Lending or allowing his name or reputation to be used in a Competing Business.

(v) Giving advice to any other person or entity carrying on or engaging in a Competing Business.

(vi) Otherwise allowing his skill, knowledge or experience to be used in a Competing Business.

(3) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, solicit, raid, entice, induce or offer any person who is employed by Marriott or any of its subsidiaries or affiliates in a Company Business to become employed by any person or entity in any business whether or not it is a Competing Business.

(4) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, solicit business for a Competing Business from any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(5) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, provide, or arrange for or assist in the provision of services by a Competing Business to any

person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(6) Upon breach of this Section 7(a) by Employee, ExecuStay shall be entitled to injunctive relief, both pendente lite and permanently, against Employee, as a remedy at law would be inadequate. In addition, ExecuStay shall be entitled to such damages as it can show it has sustained, directly or indirectly, by reason of such a breach, and neither ExecuStay nor any of its subsidiaries or affiliates shall be limited in such damages to the consideration paid to Employee pursuant to this Agreement. Nothing in this Agreement shall be construed as limiting ExecuStay's remedies in any way.

(b) Confidential Information. Except as permitted or directed by ExecuStay or in connection with Employee's employment by ExecuStay or one of its subsidiaries or affiliates, Employee agrees to keep confidential and not to divulge or use any information, materials, methods or developments of any nature and in any form that at the time or times concerned is not generally known to those persons engaged in a Competing Business and that relates to any one or more aspects of a Company Business which Employee has acquired or become acquainted with prior to the termination of employment with ExecuStay, Old ExecuStay or any of their subsidiaries or affiliates, whether developed by Employee or by others, including, without limitation, internal business policies, processes, techniques, know-how, development plans, financial matters, customers and customer lists, vendors and vendor lists, leases and sub-leases or any other confidential information or secret aspect of any Company Business. Employee acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of ExecuStay and represents a substantial investment of time and expense by ExecuStay and that any disclosure or use of such knowledge or information other than for the sole benefit of ExecuStay or Marriott or any of its subsidiaries or affiliates would be wrongful and would cause irreparable harm to ExecuStay and its subsidiaries and affiliates. The terms of this paragraph shall survive the Restriction Period.

(c) Employee's Knowledge. Employee agrees to make available to ExecuStay all knowledge possessed by Employee relating to any methods, developments, improvements, processes or other knowledge that concerns Company Business in any way, whether acquired by Employee before or during employment with ExecuStay.

8. Governing Law. The validity, interpretation, performance, and enforcement of the provisions of this Agreement shall be governed by the laws of the State of Maryland without reference to the conflict of laws principles thereof.

9. Severability. To the extent that any provision of this Agreement shall be determined to be invalid or unenforceable, the invalid or unenforceable portion of such provision shall be deleted from this Agreement, and the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected. In furtherance and not in limitation of the foregoing, it is expressly agreed that, should the duration of, or geographical extent of, or business activities covered by, the covenants contained in Section 7 be determined to be in excess of that which is valid or enforceable under applicable law, then such covenants shall be construed to cover only that duration or geographical extent or those activities that may be validly covered and enforced; provided, however, that to the full extent that the provisions of any applicable law may be waived by Employee, they are hereby waived, such that Section 7 may be deemed to be valid and enforceable to the greatest possible extent. Employee acknowledges the uncertainty of the law in this respect and expressly stipulates that Section 7 shall be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law.

10. Assignment. This Agreement shall be binding upon and inure to the benefit of ExecuStay and its successors and assigns. Employee may not assign this Agreement or any of Employee's rights hereunder, including the right to the payment of money or other property. Any purported or attempted assignment or transfer by the Employee of this Agreement or any of the Employee's duties, responsibilities or obligations hereunder shall be void.

11. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing, and shall be deemed to have been duly given on the date of service if personally served on the party to whom notice is to be given, or on the second day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, and properly addressed as follows:

If to Employee:

If to ExecuStay or Marriott:

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

12. Withholding. ExecuStay may withhold from any amounts payable under this Agreement such Federal, state and local taxes as shall be required to be withheld pursuant to any

applicable law or regulation and any amounts required to be withheld pursuant to court order or Employee's election.

13. Entire Agreement and Amendments. This Agreement constitutes the entire agreement between Marriott, ExecuStay and Employee on the subject of Employee's employment with ExecuStay, supersedes any and all prior agreements among the parties with respect to the subject matter hereof, shall be the only agreement among the parties with respect to the subject matter hereof, and may be modified, amended or waived with respect to any party only by written instrument executed by the parties.

14. Waiver. A party's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right a party might have under this Agreement, shall not be deemed to be a waiver of such provision or right and no waiver of any right or remedy in respect of any occurrence or event on one or more occasions shall be deemed a waiver of such right or remedy in respect of any other occurrence or event, whether similar or dissimilar, on any other occasion.

15. Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their signatures below.

MARRIOTT INTERNATIONAL, INC.

By: ---------- Date: ----------
Name:
Title:

MI SUBSIDIARY I, INC.

By: ---------- Date: ----------
Name:
Title:

EMPLOYEE

Date:
- ---------- ----------

Exibit D

STOCKHOLDER AGREEMENT

THIS STOCKHOLDER AGREEMENT (the "Agreement") is dated as of January 6, 1999, by and among Marriott International, Inc., a Delaware corporation ("Marriott"), MI Subsidiary I, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Marriott ("Acquisition") and Benny E. Anderson ("Anderson").

WHEREAS, concurrently herewith, Marriott, Acquisition and ExecuStay Corporation, a Maryland corporation ("ExecuStay"), are entering into a Merger Agreement, a form of which is appended hereto as Exhibit I (as such agreement may hereafter be amended from time to time, the "Merger Agreement"), pursuant to which ExecuStay will be merged with and into Acquisition (the "Merger"). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Merger Agreement;

WHEREAS, concurrently herewith, certain other stockholders of ExecuStay are entering into two agreements with Marriott and Acquisition (the "Other Stockholders Agreements"), concerning certain matters connected with the Merger and their ExecuStay Shares (defined below);

WHEREAS, Anderson Beneficially Owns (as defined herein) the number of shares, par value $0.01 per share, of common stock (the "Common Stock") of ExecuStay (the "ExecuStay Shares") set forth opposite Anderson's name on Schedule A hereto;

WHEREAS, the Merger Agreement contemplates that, in anticipation of consummation of the Merger, one share of Class B Preferred Stock, par value $0.01 per share, of ExecuStay ("Class B Shares") will be issued to Anderson in exchange (the "Exchange") for each ExecuStay Share held by Anderson (as used herein, the term "Shares" refers to the ExecuStay Shares prior to the Exchange and the Class B Shares after the Exchange);

WHEREAS, Marriott has agreed that Anderson shall receive shares of Marriott common stock, par value $0.01 per share ("Marriott Stock"), in the Merger, in respect of his Shares, and Anderson desires to receive such Marriott Stock; and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Marriott has required that Anderson agrees, and Anderson has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations, warranties, covenants and agreements contained herein, the parties hereby agree as follows:

1. Agreement to Vote; Irrevocable Proxy.

(a) Anderson hereby agrees that during the period commencing on the Tender Offer Purchase Time and continuing until the first to occur of the Closing and the termination of the Merger Agreement in accordance with its terms, at any meeting of the holders of the Shares,

however called, or in connection with any written consent of the holders of Shares, Anderson shall vote (or cause to be voted) the Shares held of record or Beneficially Owned (as defined herein) by Anderson, whether owned on the date hereof or hereafter acquired, (i) in favor of approval of the Merger Agreement, all transactions contemplated thereby, and any actions required in furtherance thereof and hereof (including election of such directors of ExecuStay as Marriott is entitled to designate pursuant to the Merger Agreement); (ii) against any action or agreement that is intended, or could reasonably be expected, to impede, interfere with, or prevent the Merger or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of ExecuStay or any of its subsidiaries under the Merger Agreement, the Other Stockholders Agreements or this Agreement; and (iii) except as specifically requested in writing in advance by Marriott or Acquisition, against the following actions (other than the Exchange, the Merger and the transactions contemplated by the Merger Agreement and this Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving ExecuStay or any of its subsidiaries or affiliates; (B) a sale, lease, transfer or disposition by ExecuStay or any of its subsidiaries of any assets outside the ordinary course of business or any assets which in the aggregate are material to ExecuStay and its subsidiaries taken as a whole, or a reorganization, recapitalization, dissolution or liquidation of ExecuStay or any of its subsidiaries or affiliates; (C)(1) any change in the management of ExecuStay or in a majority of the persons who constitute the board of directors of ExecuStay; (2) any change in the present capitalization of ExecuStay or any amendment of ExecuStay's charter or By-Laws; (3) any other material change in ExecuStay's or any of its subsidiaries' corporate structure or business; or (4) any other action that, in the case of each of the matters referred to in clauses (C)(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone or materially adversely affect the Exchange, the Merger or the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. Anderson shall not enter into any agreement or understanding with any Person (as defined herein) the effect of which would be inconsistent with or violative of the provisions and agreements contained in Section 1 or 2 hereof.

(b) By his execution hereof and in order to secure his obligations hereunder, Anderson hereby grants to, and appoints, Acquisition and Kenneth R. Rehmann and Joseph Ryan, in their respective capacities as officers of Acquisition, and any individual who shall hereafter succeed to any such office of Acquisition, and any other designee of Acquisition, and each of them individually, Anderson's true and lawful irrevocable (until the Termination Date) proxy and attorney-in-fact (with full power of substitution) to vote the Shares, or grant a consent or approval in respect of such Shares, as indicated in Section 1(a) above, provided, however, that this proxy shall not take effect until purchase of the Shares at the Tender Offer Purchase Time. Anderson intends this proxy to be irrevocable (from the Tender Offer Purchase Time until the Termination Date) and coupled with an interest and will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby represents that any proxy heretofore given in respect of his Shares is not irrevocable, and hereby revokes any proxy previously granted by Anderson with respect to the Shares. Anderson understands and acknowledges that Acquisition is entering into the Merger Agreement in reliance on his execution and delivery of this irrevocable proxy. Anderson hereby affirms that this irrevocable proxy is given in connection with the execution of this Agreement and the Merger Agreement, and further

affirms that this irrevocable proxy is coupled with an interest in this Agreement for the term stated herein and may under no circumstances be revoked. Anderson hereby ratifies and confirms all that this irrevocable proxy may lawfully do or cause to be done by virtue hereof. This proxy is executed and intended to be irrevocable in accordance with the provisions of Section 2-507(d) of the Maryland General Corporation Law. This proxy shall terminate automatically on the termination of the Merger Agreement.

2. Other Covenants, Representations and Warranties. Anderson hereby represents and warrants to Marriott and Acquisition as of the date hereof and as of the Closing as follows:

(a) Ownership of Shares. Anderson is the record and Beneficial Owner of the number of Shares set forth opposite Anderson's name on Schedule A hereto. On the date hereof, the Shares set forth opposite Anderson's name on Schedule A hereto constitute all of the Shares owned of record or Beneficially Owned by Anderson. Anderson owns such Shares free and clear of all liens, claims, charges, security interests, mortgages or other encumbrances, and such Shares are subject to no rights of first refusal, put rights, other rights to purchase or encumber such Shares, or to any agreements other than this Agreement as to the encumbrance or disposition of such Shares. Such Shares are duly and validly issued, fully paid and non-assessable. Anderson has sole voting power and sole power to issue instruction with respect to the matters set forth in Section 1 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Shares set forth opposite Anderson's name on Schedule A hereto, with no limitations, qualifications or restrictions on such rights.

(b) Power; Binding Agreement. Anderson has the legal capacity, power and authority to enter into and perform all of Anderson's obligations under this Agreement. The execution, delivery and performance of this Agreement by Anderson will not violate any other agreement to which Anderson is a party including, without limitation, any voting agreement, shareholder agreement or voting trust. This Agreement has been duly and validly executed and delivered by Anderson and constitutes a valid and binding agreement of Anderson, enforceable against Anderson in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle are applied in a proceeding at law or in equity). There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which Anderson is trustee who is not a party to this Agreement and whose consent is required for the execution and delivery of this Agreement or the consummation by Anderson of the transactions contemplated hereby. If Anderson is married and Anderson's Shares constitute community property, this Agreement has been duly authorized, executed and delivered by, and constitute a valid and binding agreement of, Anderson's spouse, enforceable against such person in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle are applied in a proceeding at law or in equity).

(c) No Conflicts. (i) Except for filings, permits, authorizations, consents and approvals as may be required under and other applicable requirements of the HSR Act, no filing with, and no permit, authorization, consent or approval of , any state or federal public body or authority is necessary for the execution of this Agreement by Anderson and the consummation by Anderson of the transactions contemplated hereby and (ii) none of the execution or delivery of this Agreement by Anderson, the consummation by Anderson of the transactions contemplated hereby or compliance by Anderson with any of the provisions hereof shall (A) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which Anderson is a party or by which Anderson or, to the best of Anderson's knowledge, any of Anderson's properties or assets may be bound, or (B) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to Anderson or any of Anderson's properties or assets. This Agreement hereby supersedes all prior agreements to which Anderson is a party with respect to Anderson's Shares, including without limitation any registration rights agreement with respect to any of Anderson's Shares.

(d) No Finder's Fees. No broker, investment banker, financial adviser or other person is entitled to any broker's, finder's, financial adviser's or other similar fee or commission in connection with the transactions contemplated by the Merger Agreement based upon arrangements made by or on behalf of Anderson.

(e) Other Potential Acquirors. Anderson (i) shall immediately cease any existing discussions or negotiations, if any, with any parties conducted heretofore with respect to any acquisition of all or any material portion of the assets of, or any equity interest in, ExecuStay or any of its subsidiaries or any business combination with ExecuStay or any of its subsidiaries, in his capacity as such, and (ii) from and after the date hereof until termination of the Merger Agreement, unless and until ExecuStay is permitted to take such actions under Section 5.4 of the Merger Agreement, shall not, in such capacity, directly or indirectly, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any such transaction or acquisition, or agree to or endorse any such transaction or acquisition, or authorize or permit any of Anderson's agents to do so, and Anderson shall promptly notify Marriott or Acquisition of any proposal and shall provide a copy of any such written proposal and a summary of any oral proposal to Marriott or Acquisition immediately after receipt thereof (and shall specify the material terms and conditions of such proposal and identify the person making such proposal) and thereafter keep Marriott or Acquisition advised of any development with respect thereto.

(f) Restriction on Transfer, Proxies and Non-Interference. Anderson shall not, directly or indirectly: (i) tender his Shares in the Offer (as defined in the preamble to the Merger Agreement) or any other tender offer for ExecuStay Shares; (ii) except as contemplated by this Agreement, the Other Stockholders Agreements or the Merger Agreement, otherwise offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for

sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of Anderson's Shares or any interest therein; (iii) grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iv) take any action that would make any representation or warranty of Anderson contained herein untrue or incorrect or have the effect of preventing or disabling Anderson from performing Anderson's obligations under this Agreement.

(g) Investment Intention.

(i) Anderson confirms that Marriott and Acquisition have made available to Anderson, and his representatives and agents, (A) information about Marriott, (B) the opportunity to ask questions of the officers and employees of Marriott and (C) the opportunity to acquire such additional information about the business and financial condition of Marriott as Anderson has requested, and such information has been received.

(ii) The shares of Marriott Stock to be issued to Anderson in connection with the Merger will be acquired for investment and not with a view to distribution of such shares within the meaning of Section 2(11) of the Securities Act.

(iii) Anderson does not have in mind the sale or other disposition of shares of Marriott Stock at some fixed time in the future (such as the expiration of the holding period for capital gains tax treatment) or upon the occurrence or nonoccurrence of any particular events.

(iv) Anderson is an "accredited investor" within the meaning of Section 2(a)(15) of the Securities Act.

(h) Reliance by Marriott and Acquisition. Anderson understands and acknowledges that Marriott and Acquisition are relying upon the foregoing representations by Anderson, and on Anderson's execution and delivery of this Agreement (i) in entering into the Merger Agreement and (ii) in issuing the Marriott Stock in connection with the Merger without registration under the Securities Act or qualification under any state securities laws (collectively, "Blue Sky Laws"). Anderson agrees that the Marriott Stock will not be transferred unless in the opinion of Marriott's legal counsel such transfer will not violate the registration requirements of the Securities Act or Blue Sky Laws.

3. Further Assurances; Merger Agreement Compliance. From time to time, at Marriott's or Acquisition's request and without further consideration, Anderson agrees to execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, and to cause the Company to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. Anderson further agrees not to take any action, or omit to take any action, which would, or would be reasonably likely to, result in a breach by the Company of any of the provisions of the Merger Agreement.

4. Stop Transfer; Form of Legend.

(a) Anderson agrees with, and covenants to, Marriott that Anderson shall not request that ExecuStay register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of Anderson's Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend or distribution, or any change in the Common Stock or the Class B Shares by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

(b) All certificates representing any of Anderson's Shares shall contain the following legend:

"The securities represented by this certificate are subject to certain restrictions on transfer and other terms of a Stockholder Agreement, dated as of January 6, 1999, among Marriott International, Inc., MI Subsidiary I, Inc. and Benny E. Anderson, a copy of which is on file in the principal office of Marriott International, Inc."

5. Stock Issuance and Registration.

(a) In accordance with the provisions of Section 2.1 of the Merger Agreement, immediately prior to the Merger, ExecuStay will, in the Exchange, issue to Anderson on a share-for-share basis, Class B Shares in exchange for Common Stock held of record or Beneficially Owned by them. In the Merger, Anderson shall receive, in respect of each Class B Share held of record or Beneficially Owned by Anderson, shares of Marriott Stock in an amount determined by the "Class B Exchange Ratio" as defined in Section 2.9(b) of the Merger Agreement.

(b) Marriott shall, no later than the First Registration Date (as defined below), file with the SEC and thereafter use its reasonable efforts to cause to be declared effective, a registration statement on Form S-3 or an equivalent successor form (the "Form S-3") relating to the offer and sale from time to time by Anderson of shares of Marriott Stock held by him that are Registrable Securities. As used herein, the "First Registration Date" means the later of (i) 30 days following the Closing Time, or (ii) April 30, 1999, provided, however, that if on such date Marriott is not eligible to use Form S-3 for registration of the resale of Registrable Securities as provided herein, then the First Registration Date shall be the earliest date after April 30, 1999 on which Marriott becomes eligible to use Form S-3 in connection with such resale registration. Subject to the limitations contained herein, Marriott shall use its reasonable efforts to keep the Form S-3 continuously effective in order to permit the prospectus forming part thereof to be usable by Anderson for a period of one year from the Closing Time, or for such shorter period that will terminate when all Registrable Securities covered by the Form S-3 have been sold pursuant to the Form S-3 or cease to be outstanding or otherwise to be Registrable Securities.

(c) Marriott further agrees, if necessary, to supplement or amend the Form S-3, as required by Section 6 below, and to furnish to Anderson, if he is holding Registrable

Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(d) Marriott agrees to use its reasonable efforts to ensure that (i) the Form S-3 and any amendments thereof, at the time each such Form S-3 or amendment thereof becomes effective, and any prospectus forming a part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) the Form S-3 and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of the Form S-3, and any supplement to such prospectus (as amended or supplemented from time to time)(each, as of the date thereof), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading; provided that clauses (ii) and (iii) of this paragraph shall not apply to any information provided by Anderson.

(e) Anderson may not use the Form S-3 unless he provides Marriott with the information required by Section 7 of this Agreement on a timely basis. Notwithstanding any other provision herein or in the Merger Agreement, (i) Marriott shall have no obligation under Sections 5 or 6 hereof with respect to any shares of Marriott Stock that are (x) not Registrable Securities or (y) held of record or Beneficially Owned by Anderson if he has not performed his obligations under, or otherwise has breached, violated or is in default under, the Agreement or the Merger Agreement, and (ii) all obligations of Marriott under Sections 5 and 6 hereof automatically shall terminate and be of no further force or effect in the event that the Merger Agreement is terminated or the Offer or the Merger is not consummated.

(f) Notwithstanding any other provision herein, Marriott may delay filing the Form S-3, may withhold efforts to cause the Form S-3 to become effective, and may advise holders of Registrable Securities to suspend use of the prospectus that is part of the Form S-3, for limited periods of time if and to the extent that Marriott reasonably determines in good faith that any such action is necessary in order for Marriott to comply with its disclosure obligations under Section 5(d) hereof. In the event that Marriott advises the holders of registered Registrable Securities that Marriott considers it appropriate to suspend the use of the prospectus, such holders shall suspend any further sales of their registered securities until Marriott advises them that the Form S-3 has been amended or that such sales may be resumed.

6. Registration Procedures.

(a) Marriott shall prepare and file a Form S-3, within the relevant time period specified in Section 5(a), and use its reasonable efforts to cause such Form S-3 to become effective and remain effective in accordance with Section 5 hereof.

(b) Marriott shall prepare and file such amendments and post-effective amendments to the Form S-3 as may be necessary under applicable law to keep such Form S-3 effective for the applicable period; and cause each prospectus that is part of the Form S-3 to be supplemented by

any required prospectus supplement, and as so supplemented to be filed with the SEC pursuant to applicable requirements of the Securities Act and the rules and regulations thereunder.

(c) Marriott shall use its reasonable efforts to register or qualify the Registrable Securities under all applicable Blue Sky Laws as Anderson, if he is holding Registrable Securities covered by the Form S-3 shall reasonably request; provided, however, that Marriott shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 6(c), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject.

(d) Marriott shall furnish to Anderson, if he is holding Registrable Securities, without charge, as many copies of each prospectus and any amendment thereof or supplement thereto as Anderson may reasonably request.

(e) Marriott shall cooperate with Anderson as a selling stockholder of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends.

(f) Marriott shall cause all Registrable Securities covered by the Form S-3 to be listed on the NYSE.

7. Condition Precedent. It shall be a condition precedent to the obligations of Marriott to take any action pursuant hereto that Anderson shall furnish to Marriott such information regarding him, the Registrable Securities held by him and the intended method of disposition of such Registrable Securities as Marriott shall reasonably request and as shall be required in connection with the action to be taken by Marriott.

8. Expenses of Registration. All expenses incurred in connection with any registrations pursuant to Section 5 hereof, including without limitation all registration and qualification fees, printers' and accounting fees, reasonable fees and disbursements of counsel for Marriott, shall be borne by Marriott, except for (a) fees and disbursements of counsel for Anderson, and (b) any underwriting or brokers' discounts or similar transaction fees, which shall be borne by Anderson.

9. Indemnification.

(a) Marriott agrees to indemnify and hold harmless Anderson (as the "Holder Indemnified Party"), against any losses, claims, damages or liabilities, joint or several, to which the Holder Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based on any Misstatement (defined below) in the Form S-3 or any amendments thereof or supplements thereto. Marriott will reimburse such Holder Indemnified Party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 9(a), the indemnity agreement contained in this Section 9(a) shall not (i) apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Marriott (which consent shall not be unreasonably withheld); (ii) apply to any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Misstatement made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder Indemnified Party.

(b) Anderson agrees to indemnify and hold harmless Marriott, each of its directors, each of its officers who have signed the Form S-3, and each person, if any, who controls Marriott within the meaning of the Securities Act, and each agent (the "Marriott Indemnified Parties") against any losses, claims, damages or liabilities to which any Marriott Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) (i) arise out of or are based upon any Misstatement in the Form S-3 and any amendments thereof or supplements thereto made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder Indemnified Party. Anderson will reimburse any legal or other expenses reasonably incurred by such Marriott Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 9(b), the indemnity agreement contained in this Section 9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Anderson (which consent shall not be unreasonably withheld).

(c) If the indemnification provided for in this Section 9 is unavailable to an indemnified party under Section 9(a) or Section 9(b) above (other than by reason of exceptions provided in those Sections) in respect of any losses, claims, damages or liabilities referred to in such Sections, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefit and relative fault as well as any other equitable considerations.. The amount paid or payable by a party as a result of the losses, claims, damages, or liabilities referred to above shall be deemed to include, subject to the limitations set forth in Section 9(d), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The relative benefit shall be determined by the allocation of proceeds from such Form S-3. The relative fault of the indemnified party on the one hand and of the indemnifying party on the other shall be determined by reference to, among other things, whether the Misstatement or alleged Misstatement relates to information supplied by the indemnified party or

the indemnifying party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Misstatement or alleged Misstatement. Marriott and Anderson agree that it would not be just and equitable if contribution pursuant to this Section 9(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. No person guilty of fraudulent misrepresentation (within the meaning of Section 9(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) Any person entitled to indemnification hereunder will: (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification; and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled or elects not to assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to his ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this paragraph, but the omission so to notify the indemnifying party will not relieve him of any liability that he may have to any indemnified party otherwise than under this Section.

10. Termination of Marriott's Obligations. Marriott shall have no obligations pursuant to Section 6 with respect to Registrable Securities more than one year after the Closing.

11. Employment Agreement. Following the date hereof, but prior to the commencement of the Offer, Anderson agrees to negotiate and execute employment agreements with respect to his employment by Acquisition following the Closing, in accordance with the form of employment agreement attached as Exhibit II.

12. The Options. Anderson hereby agrees as follows:

(a) Grant of Options. Subject to the terms of this Section 12, Anderson hereby grants to Acquisition (or its designee), effective upon the purchase of the shares by Acquisition at the Tender Offer Purchase Time, an irrevocable option (each, an "Option") to purchase all Shares held of record or Beneficially Owned by Anderson at a purchase price per Share equal to $14.

(b) Exercise of Options. Acquisition may exercise the Options, in whole or in part, at any time and from time to time, following the occurrence of a Purchase Event (as defined below); provided that any Options not theretofore exercised shall expire and be of no further force and effect upon the earliest to occur (the "Expiration Date") of (i) the Closing Time, (ii) 5 months after the first occurrence of a Purchase Event, or (iii) termination of the Merger Agreement in accordance with its terms. Notwithstanding anything herein to the contrary, in the

event of termination of the Merger Agreement, Marriott at its option either may elect to exercise the Options, or may accept payment of the Liquidated Damages Amount provided for in Section 9.3 of the Merger Agreement, but shall not be entitled to exercise the Options and retain Liquidated Damages Amount. In the event Marriott determines to exercise the Options, promptly upon a termination of the Merger Agreement giving rise to payment of the Liquidated Damages Amount, Marriott shall notify ExecuStay of its waiver of receipt of the Liquidated Damages Amount pursuant to the Merger Agreement.

As used herein, a "Purchase Event" shall mean any of the following events that occurs after the date hereof:

(i) Beneficial Ownership of more than 20% of the outstanding capital stock of ExecuStay (or rights to acquire such capital stock of ExecuStay) shall have been acquired by any Person or "group" other than Acquisition, any affiliate of Acquisition or Anderson;

(ii) ExecuStay shall have entered into a definitive agreement or approved or recommended any proposal which provides for the acquisition of 20% or more of the outstanding capital stock of ExecuStay or substantially all of the assets of ExecuStay by any Person or group other than Acquisition, an affiliate of Acquisition or Anderson;

(iii) (A) the failure of ExecuStay's stockholders to approve the Merger Agreement or the transactions contemplated thereby at a meeting called to consider such Merger Agreement, if such meeting shall have been preceded by (x) the public announcement by any Person or group (other than Acquisition or an affiliate of Acquisition) of an offer or proposal to acquire, merge or consolidate with ExecuStay, or (y) the Board of Directors of ExecuStay's publicly withdrawing or modifying, or publicly announcing its intent to withdraw or modify, its recommendation that the stockholders of ExecuStay approve the transactions contemplated by the Merger Agreement, as prohibited by Section 5.4(b) of the Merger Agreement; or (B) the acceptance by ExecuStay's Board of Directors of, or the public recommendation by ExecuStay's Board of Directors that the stockholders of ExecuStay accept, an offer or proposal from any Person or group (other than Acquisition or an affiliate of Acquisition), to acquire 20% or more of the outstanding capital stock of ExecuStay or for a merger or consolidation or any similar transaction involving ExecuStay, as prohibited by Section 5.4(b) of the Merger Agreement;

(iv) a proposal made by a third party to ExecuStay, its affiliates or their respective officers, directors, employees, representatives or agents, as described in Section 5.4 of the Merger Agreement, resulting in a breach by ExecuStay of the covenant and obligation contained in that Section 5.4 and such breach (x) would entitle Acquisition or Marriott to terminate the Merger Agreement pursuant to Section 9.1(b) thereof and (y) shall not have been cured prior to the date that Acquisition duly gives notices to Anderson of its desire to exercise an Option pursuant to Section 12 hereof; or

(v) any breach by Anderson of this Agreement.

(c) Notice of Exercise. To exercise an Option, Acquisition shall, prior to the Expiration Date, give written notice to Anderson specifying the location in Maryland or Washington, D.C. and time for the closing (the "Option Closing") of such purchase. The Option Closing shall be held on the date that is no later than three business days after the date on which each of the conditions set forth in Section 12(d) below has been satisfied or waived by Acquisition.

(d) Conditions to Option Closing Following Exercise of Options. The occurrence of the Option Closing shall be subject to the satisfaction of each of the following conditions:

(i) to the extent necessary, any applicable waiting periods (and any extension thereof) under the HSR Act with respect to the purchase of the Shares following the exercise of an Option shall have expired or been terminated; and

(ii) no preliminary or permanent injunction or other order, decree or ruling issued by any court of governmental or regulatory authority, domestic or foreign, of competent jurisdiction prohibiting the exercise of an Option or the delivery of Shares shall be in effect.

(e) Transferability of Options. Acquisition may sell or transfer the Options and any Shares acquired upon exercise of an Option at any time, without the written consent of Anderson, to any affiliate or affiliates of Acquisition.

(f) Payment for and Delivery of Certificates. At the Option Closing, (i) Acquisition (or its designee) shall pay, by check, an amount equal to the product of (x) $14 and (y) the number of Shares owned by Anderson; and (ii) Anderson shall deliver or shall cause to be delivered to Acquisition a certificate or certificates evidencing Anderson's Shares, and Anderson agrees that such Shares shall be transferred free and clear of all liens. All such certificates representing Shares shall be duly endorsed in blank, or with appropriate stock powers, duly executed in blank, attached thereto, in proper form for transfer, with the signature of Anderson thereon guaranteed, and with all applicable taxes paid or provided for.

14. Termination. Except as otherwise provided herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the earliest of (a) termination of the Merger Agreement in accordance with its terms, or (b) the Effective Time.

15. Anderson's Capacity. To the extent that Anderson is or becomes during the term hereof a director or executive officer of ExecuStay makes any agreement or understanding herein in his capacity as such director or executive officer. Anderson signs solely in his capacity as the record and/or beneficial owner of his Shares.

16. Waiver of Appraisal and Dissenter's Rights. Anderson hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that he may have.

17. Restrictive Covenants

(a) The parties acknowledge and agree that the Class A Merger Consideration, the Class B Merger Consideration and the Cash Merger Consideration to be transferred in connection with the consummation of the Offer and the Merger constitute consideration for, among other things, the confidential information, trade secrets, intellectual property, and customer and vendor goodwill of the Company and the Company's investment in the skills and know-how of its employees. In recognition thereof, Anderson hereby agrees to be bound by the covenants set forth in this Section 17, subject to the terms and conditions set forth herein, for the period beginning on the date of the Closing and ending on the third anniversary of the last day of his employment with the Company (the "Restriction Period").

(b) Anderson agrees that during the Restriction Period he will not, without the written consent of Marriott, in each instance directly or indirectly, carry on or participate in a business that is the same as or is similar to or in competition with a business (a "Competing Business") conducted or engaged in by the Company or any of its subsidiaries as of the date hereof (a "Company Business") within the Restricted Area (as defined below). The "Restricted Area" shall mean the geographic area that is within 100 miles of a location at which Marriott or any of its subsidiaries or affiliates is conducting or engaging in a Company Business during the Restriction Period.

(c) The term "carry on or participate in a business" shall include engaging in any of the following activities, directly or indirectly, other than carrying on or engaging in activities expressly permitted under this Agreement:

(i) Carrying on or engaging in a Competing Business as a principal, or on his own account, or solely or jointly with others as a director, officer, agent, employee, consultant or partner, or stockholder, limited partner or other interest holder owning more than five (5) percent of the stock or equity interests or securities convertible into more than five (5) percent of the stock of or equity interests in any entity.

(ii) As agent or principal carrying on or engaging in any activities or negotiations with respect to the acquisition or disposition of a Competing Business.

(iii) Extending credit for the purpose of establishing or operating a Competing Business.

(iv) Lending or allowing his name or reputation to be used in a Competing Business.

(v) Giving advice to any other person or entity carrying on or engaging in a Competing Business.

(vi) Otherwise allowing his skill, knowledge or experience to be used in a Competing Business.

(d) Anderson agrees that during the Restriction Period he will not, without the written consent of Marriott, in each case directly or indirectly, solicit, raid, entice, induce or offer any person who is employed by Marriott or any of its subsidiaries or affiliates in a Company Business to become employed by any person or entity in any business whether or not it is a Competing Business.

(e) Anderson agrees that during the Restriction Period he will not, without the written consent of Marriott, in each case directly or indirectly, solicit business for a Competing Business from any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(f) Anderson agrees that during the Restriction Period he will not, without the written consent of Marriott, in each case directly or indirectly, provide, or arrange for or assist in the provision of services by a Competing Business to any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(g) Upon breach of this Section 17 by Anderson, Marriott shall be entitled to injunctive relief, both pendente lite and permanently, against Anderson, as a remedy at law would be inadequate. In addition, Marriott shall be entitled to such damages as it can show it has sustained, directly or indirectly, by reason of such a breach, and neither Marriott nor any of its subsidiaries or affiliates shall be limited in such damages to the consideration Anderson pursuant to the Merger Agreement. Nothing in this Agreement shall be construed as limiting Marriott's remedies in any way.

(h) Except as permitted or directed by Marriott or in connection with his employment by Marriott or one of its subsidiaries or affiliates, Anderson agrees to keep confidential and not to divulge or use any information, materials, methods or developments of any nature and in any form that at the time or times concerned is not generally known to those persons engaged in a Competing Business and that relates to any one or more aspects of a Company Business which Anderson has acquired or become acquainted with prior to the termination of his employment with the Company or Marriott or any of its subsidiaries or affiliates, whether developed by Anderson or by others, including, without limitation, internal business policies, processes, techniques, know-how, development plans, financial matters, customers and customer lists, vendors and vendor lists, leases and sub-leases or any other confidential information or secret aspect of any Company Business. Anderson acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company and that any disclosure or use of such knowledge or information other than for the sole benefit of the Company or Marriott or any of its subsidiaries or affiliates would be wrongful and would cause irreparable harm to Marriott and its subsidiaries and affiliates. The terms of this paragraph shall survive the Restriction Period.

(i) The validity, interpretation, performance, and enforcement of the provisions of this Section 17 shall be governed by the laws of the State of Maryland without reference to the conflict of laws provisions thereof. To the extent that any provision of this Section 17 shall be determined to be invalid or unenforceable, the invalid or unenforceable portion

of such provision shall be deleted from this Agreement, and the validity and enforceability of the remainder of such provision and of this Section 17 shall be unaffected. In furtherance and not in limitation of the foregoing, it is expressly agreed that, should the duration of, or geographical extent of, or business activities covered by, the covenants contained in this Section 17 be determined to be in excess of that which is valid or enforceable under applicable law, then such covenants shall be construed to cover only that duration or geographical extent or those activities that may be validly covered and enforced; provided, however, that to the full extent that the provisions of any applicable law may be waived by Anderson, they are hereby waived, such that this Section 17 may be deemed to be valid and enforceable to the greatest possible extent. Anderson acknowledges the uncertainty of the law in this respect and expressly stipulates that this Section 17 shall be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law.

18. Miscellaneous.

(a) Certain Definitions. As used in this Agreement, the following
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capitalized terms shall have the following meanings:

(i) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a Person shall include securities Beneficially Owned by all other Persons with whom such Person would constitute a "group" as within the meanings of Section 13(d)(3) of the Exchange Act.

(ii) "Misstatement" means an untrue statement of a material fact or an omission to state a material fact required to be stated in a publicly-filed document necessary to make the statements in such a document not misleading; provided, however, that such term shall not apply to any statement or omission based on information supplied by Anderson to Marriott or Acquisition for inclusion in the publicly-filed document.

(iii) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(iv) "register," "registered," and "registration" refer to a registration effected by preparing and filing with the SEC a registration statement in compliance with the Securities Act and the declaration or ordering by the SEC of effectiveness of such registration statement.

(v) "Registrable Securities" refers to any and all of the shares of Marriott Stock held by Anderson as of the Closing Time, except that any such Marriott Stock shall cease to be Registrable Securities when and to the extent (A) a Form S-3 with respect to the sale of such Marriott Stock has become effective under the Securities Act and such Marriott Stock has been disposed of in accordance with such Form S-3; (B) such Marriott Stock has been sold to the public pursuant to Rule 144 or any successor provision under the Securities Act; (C)

such Marriott Stock shall have been otherwise transferred, new certificates therefor not bearing a legend restricting further transfer shall have been delivered by Marriott and subsequent disposition of such Marriott Stock does not require registration or qualification under the Securities Act or any similar state law then in force in the opinion of legal counsel for Marriott; or (D) such Common Stock shall have ceased to be outstanding.

(vi) "subsidiary " or "subsidiaries " of Marriott, Acquisition, ExecuStay or any other person means any corporation, partnership, limited liability company, association, trust, unincorporated association or other legal entity of which the Marriott, Acquisition, ExecuStay or any such other person, as the case may be, (either alone or through or together with any other subsidiary) owns, directly or indirectly, 50% or more of the capital stock the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

(b) Entire Agreement. This Agreement and the Merger Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Certain Events. Anderson agrees that this Agreement, the Other Stockholders Agreements and the obligations hereunder shall attach to Anderson's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, Anderson's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Marriott may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Marriott, but no such assignment shall relieve Marriott of its obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to Anderson, except upon the execution and delivery of a written agreement executed by the relevant parties hereto.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be addressed to the respective parties at the following addresses:

If to Anderson: At the address set forth on Schedule A hereto.

If to Marriott or Acquisition: MARRIOTT INTERNATIONAL, INC.
10400 Fernwood Road
Bethesda, Maryland 20857
Telecopier: (301) 380-6727
Attention: General Counsel, Dept. 52/923

with a copy to: Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
Telephone: (202) 955-8522
Facsimile: (202) 467-0539
Attention: John F. Olson, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(l) Governing Law. Except as to Section 17, which shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflicts of laws thereof, this Agreement shall be governed and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts and laws thereof.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Marriott and Acquisition have caused this Agreement to be duly executed, and Anderson has duly executed this Agreement, as of the day and year first above written.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Executive Vice President and General Counsel

MI SUBSIDIARY I, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Vice President

/s/ Benny E. Anderson

Benny E. Anderson

SCHEDULE A

NAME OF STOCKHOLDER	ADDRESS	NUMBER OF SHARES OWNED
Benny E. Anderson	c/o ExecuStay Corporation 7595 Rickenbacker Drive Gaithersburg, Maryland 20879	157,500

Exhibit __
Form of Employment Agreement

Employment Agreement

This Employment Agreement (the "Agreement") is entered into this ____ day of _____, 1999 by and among Marriott International, Inc., a Delaware corporation ("Marriott"), MI Subsidiary I, Inc. (to be renamed ExecuStay, Inc.), a Delaware corporation and a direct, wholly-owned subsidiary of Marriott ("ExecuStay") and Benny Anderson, a resident of the state of California ("Employee").

WHEREAS, pursuant to the terms and conditions of the Merger Agreement Dated as of _____ __, 1999 Among Marriott, ExecuStay Corporation, a Maryland Corporation ("Old ExecuStay") and ExecuStay (the "Merger Agreement"), Old ExecuStay agreed to merge with and into ExecuStay (the "Merger"); and

WHEREAS, pursuant to the terms and conditions of the Stockholders Agreement dated as of _____ __, 1999 by and among Marriott, ExecuStay and Employee, the parties agreed to enter into this Agreement; and

WHEREAS, contingent upon the consummation of the Merger, ExecuStay wishes to employ Employee on the terms and conditions set forth in this Agreement, and Employee wishes to be employed by ExecuStay on such terms and conditions;

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration the receipt and sufficiency of which is acknowledged, Marriott, ExecuStay and Employee agree as follows:

1. Employment. Contingent upon consummation of the Merger, ExecuStay agrees to employ Employee, and Employee accepts such employment for the period and upon the terms and conditions set forth in this Agreement. Marriott and ExecuStay will recognize continuous service of Employee with ExecuStay prior to the Merger as prior service with Marriott and its affiliates.

2. Term. Unless terminated earlier in accordance with the terms of this Agreement, the term of Employee's employment shall be for a period of three (3) years commencing on the date of the Closing (as defined in the Merger Agreement) and ending on the third anniversary of the Closing (the "Term"), subject to extension by mutual agreement of the parties.

3. Position and Duties. Employee will serve as [Title] of ExecuStay and perform such duties consistent with Employee's position and such other reasonable duties as the Board of Directors of ExecuStay shall assign Employee from time to time. Employee agrees to devote Employee's full time, attention and efforts to the business and affairs of ExecuStay during the Term. Employee agrees to comply with all practices, policies, standards, rules and regulations of Marriott and ExecuStay that are established from time to time. Employee shall not at any time

during the Term render or perform any services for compensation to any other person or entity other than ExecuStay and its related entities, unless given express permission to do so by ExecuStay.

4. Location. The principal place of employment and the location of Employee's principal office and normal place of work shall be southern California; provided, however, that Employee shall perform such temporary travel away from that area as is reasonably required for the proper rendition of services under this Agreement, subject to reimbursement for reasonable travel expenses in accordance with Marriott policies and procedures.

5. Compensation.

(a) Base Salary. During the Term, ExecuStay shall pay Employee an annual base salary ("Base Salary") of $[126,000], payable in biweekly installments in accordance with Marriott's payroll practices for managers less applicable withholding amounts.

(b) Annual Bonus. During the Term, Employee will participate in the Marriott bonus program during each fiscal year of Marriott. The annual bonus ("Annual Bonus") will be awarded in cash in accordance with Marriott policies; provided that the minimum bonus will be 25 percent of Base Salary earned during the period and the maximum bonus will be 40 percent of Base Salary earned during the period, in each case less applicable withholding amounts. If Employee's employment terminates at the end of the Term without renewal or replacement of this Agreement or an offer to continue employment in the same position with ExecuStay, a pro rata Annual Bonus for the portion of the fiscal year in which termination occurs will be paid to Employee.

(c) Deferred Bonus Stock. During the Term, Employee will participate in the Marriott deferred bonus stock program under the Marriott 1998 Comprehensive Stock and Cash Incentive Plan (the "Stock Plan"), pursuant to which Employee will receive a deferred bonus stock award for each fiscal year having a value of 20 percent of Employee's Annual Bonus for that fiscal year. Employee must be employed on the last day of the fiscal year in order to participate in the deferred bonus stock program for that fiscal year. The deferred bonus stock award will be subject to the terms of the Stock Plan, including those related to vesting.

(d) Stock Options. During the Term, Employee will participate in the Marriott stock option program under the Stock Plan, pursuant to which Employee will be eligible to receive an annual award of options to purchase Marriott Common Stock in amounts determined by the Compensation Policy Committee of the Marriott Board of Directors. The stock options will be subject to the terms of the Stock Plan and the award agreement.

(e) Other Benefits. Employee shall be entitled to participate in such other benefits, including welfare benefit plans, executive deferred compensation plans and fringe benefit policies as are generally applicable to managers employed by ExecuStay. In the ordinary course of business, benefit programs evolve as business needs and laws change. To the extent it becomes necessary and desirable to change any of the plans in which ExecuStay managers participate, such changes will apply to Employee as they do to other ExecuStay managers.

6. Termination of Employment.

(a) Death and Disability. This Agreement and Employee's employment shall terminate upon the date of Employee's death and upon the date Employee is determined to be suffering from a Permanent Disability as that term is defined in the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan. In either such event ExecuStay shall be obligated to pay Employee, if living, or the Employee's estate, accrued and unpaid Base Salary through the date of termination and a pro rata maximum Annual Bonus (such bonus will be pro rated based on the number of days in the fiscal year up to the date of termination divided by 360) and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee, Employee's estate or Employee's beneficiaries with respect to any such award or plan.

(b) Termination For Cause. This Agreement and Employee's employment shall terminate upon ExecuStay terminating Employee's employment "for cause" during the Term. For purposes of this Agreement, "for cause" shall mean (i) any fraud, misappropriation or embezzlement by Employee; (ii) any conviction of or nolo contendere plea to a felony or gross misdemeanor by Employee; (iii) any neglect by Employee to perform the duties assigned to Employee hereunder, provided that Employee shall first have received a written notice from ExecuStay which sets forth the manner in which Employee has neglected Employee's duties and Employee shall have a period of thirty days to cure unless a cure cannot be reasonably effected within such period; (iv) any material breach by Employee of Employee's obligations under this Agreement; and (v) any public conduct of Employee that has or can reasonably be expected to have a detrimental effect on ExecuStay. In the event Employee is terminated for cause, ExecuStay shall be obligated to pay Employee accrued and unpaid Base Salary through the date of termination and shall have no further obligation to Employee.

(c) Termination Other Than For Cause. This Agreement and Employee's employment shall terminate upon ExecuStay terminating Employee's employment other than "for cause" as defined in Section 6(b) above. ExecuStay reserves the right to terminate Employee's employment for any reason during or after the Term. In the event

that ExecuStay terminates Employee's employment other than "for cause", ExecuStay shall pay Employee the Base Salary and the maximum Annual Bonus through the remainder of the Term and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee with respect to such award or plan; and provided further that Employee shall not be entitled to any benefits under the Marriott Severance Plan or any other plan, policy or arrangement providing for severance or similar pay or benefits following termination of employment. Following termination other than "for cause," Employee shall not be entitled to any further awards of deferred bonus stock or stock options.

(d) Resignation From Employment. This Agreement and Employee's employment shall terminate if Employee voluntarily resigns from employment with ExecuStay. In such event, ExecuStay shall be obligated to pay Employee accrued and unpaid Base Salary through the date of termination and shall have no further obligations under this Agreement; provided that the terms of any award or employee benefit plan in which Employee participates shall govern the rights of Employee, with respect to any such award or plan.

(e) Return of Property. Upon termination of Employee's employment for any reason, Employee shall promptly deliver to ExecuStay all records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, data or copies thereof, and all other tangible property of ExecuStay or Marriott, that are in Employee's possession or under Employee's control.

7. Employment Covenants and Agreements.

(a) Non-Competition.

(1) While Employee is employed by ExecuStay or another Marriott affiliate and for a period of three (3) years following termination of employment (the "Restriction Period"), Employee will not, without the written consent of ExecuStay, in each instance directly or indirectly, carry on or participate in a business that is the same as or is similar to or in competition with a business (a "Competing Business") conducted or engaged in by ExecuStay or any of its subsidiaries (a "Company Business") within the Restricted Area (as defined below). The "Restricted Area" shall mean the geographic area that is within 100 miles of a location at which Marriott or any of its subsidiaries or affiliates is conducting or engaging in a Company Business during the Restriction Period.

(2) The term "carry on or participate in a business" shall include engaging in any of the following activities, directly or indirectly, other than carrying on or engaging in activities expressly permitted under this Agreement:

(i) Carrying on or engaging in a Competing Business as a principal, or on his own account, or solely or jointly with others as a director, officer, agent, employee, consultant or partner, or stockholder, limited partner or other interest holder owning more than five (5) percent of the stock or equity interests or securities convertible into more than five (5) percent of the stock of or equity interests in any entity.

(ii) As agent or principal carrying on or engaging in any activities or negotiations with respect to the acquisition or disposition of a Competing Business.

(iii) Extending credit for the purpose of establishing or operating a Competing Business.

(iv) Lending or allowing his name or reputation to be used in a Competing Business.

(v) Giving advice to any other person or entity carrying on or engaging in a Competing Business.

(vi) Otherwise allowing his skill, knowledge or experience to be used in a Competing Business.

(3) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, solicit, raid, entice, induce or offer any person who is employed by Marriott or any of its subsidiaries or affiliates in a Company Business to become employed by any person or entity in any business whether or not it is a Competing Business.

(4) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, solicit business for a Competing Business from any person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(5) During the Restriction Period Employee will not, without the written consent of ExecuStay, in each case directly or indirectly, provide, or arrange for or assist in the provision of services by a Competing Business to any

person or entity that is then a customer of a Company Business or that is being solicited by a Company Business.

(6) Upon breach of this Section 7(a) by Employee, ExecuStay shall be entitled to injunctive relief, both pendente lite and permanently, against Employee, as a remedy at law would be inadequate. In addition, ExecuStay shall be entitled to such damages as it can show it has sustained, directly or indirectly, by reason of such a breach, and neither ExecuStay nor any of its subsidiaries or affiliates shall be limited in such damages to the consideration paid to Employee pursuant to this Agreement. Nothing in this Agreement shall be construed as limiting ExecuStay's remedies in any way.

(b) Confidential Information. Except as permitted or directed by ExecuStay or in connection with Employee's employment by ExecuStay or one of its subsidiaries or affiliates, Employee agrees to keep confidential and not to divulge or use any information, materials, methods or developments of any nature and in any form that at the time or times concerned is not generally known to those persons engaged in a Competing Business and that relates to any one or more aspects of a Company Business which Employee has acquired or become acquainted with prior to the termination of employment with ExecuStay, Old ExecuStay or any of their subsidiaries or affiliates, whether developed by Employee or by others, including, without limitation, internal business policies, processes, techniques, know-how, development plans, financial matters, customers and customer lists, vendors and vendor lists, leases and sub-leases or any other confidential information or secret aspect of any Company Business. Employee acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of ExecuStay and represents a substantial investment of time and expense by ExecuStay and that any disclosure or use of such knowledge or information other than for the sole benefit of ExecuStay or Marriott or any of its subsidiaries or affiliates would be wrongful and would cause irreparable harm to ExecuStay and its subsidiaries and affiliates. The terms of this paragraph shall survive the Restriction Period.

(c) Employee's Knowledge. Employee agrees to make available to ExecuStay all knowledge possessed by Employee relating to any methods, developments, improvements, processes or other knowledge that concerns Company Business in any way, whether acquired by Employee before or during employment with ExecuStay.

8. Governing Law. The validity, interpretation, performance, and enforcement of the provisions of this Agreement shall be governed by the laws of the State of Maryland without reference to the conflict of laws principles thereof.

9. Severability. To the extent that any provision of this Agreement shall be determined to be invalid or unenforceable, the invalid or unenforceable portion of such provision shall be deleted from this Agreement, and the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected. In furtherance and not in limitation of the foregoing, it is expressly agreed that, should the duration of, or geographical extent of, or business activities covered by, the covenants contained in Section 7 be determined to be in excess of that which is valid or enforceable under applicable law, then such covenants shall be construed to cover only that duration or geographical extent or those activities that may be validly covered and enforced; provided, however, that to the full extent that the provisions of any applicable law may be waived by Employee, they are hereby waived, such that Section 7 may be deemed to be valid and enforceable to the greatest possible extent. Employee acknowledges the uncertainty of the law in this respect and expressly stipulates that Section 7 shall be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law.

10. Assignment. This Agreement shall be binding upon and inure to the benefit of ExecuStay and its successors and assigns. Employee may not assign this Agreement or any of Employee's rights hereunder, including the right to the payment of money or other property. Any purported or attempted assignment or transfer by the Employee of this Agreement or any of the Employee's duties, responsibilities or obligations hereunder shall be void.

11. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing, and shall be deemed to have been duly given on the date of service if personally served on the party to whom notice is to be given, or on the second day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, and properly addressed as follows:

If to Employee:

If to ExecuStay or Marriott:

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

12. Withholding. ExecuStay may withhold from any amounts payable under this Agreement such Federal, state and local taxes as shall be required to be withheld pursuant to any applicable law or regulation and any

amounts required to be withheld pursuant to court order or Employee's election.

13. Entire Agreement and Amendments. This Agreement constitutes the entire agreement between Marriott, ExecuStay and Employee on the subject of Employee's employment with ExecuStay, supersedes any and all prior agreements among the parties with respect to the subject matter hereof, shall be the only agreement among the parties with respect to the subject matter hereof, and may be modified, amended or waived with respect to any party only by written instrument executed by the parties.

14. Waiver. A party's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right a party might have under this Agreement, shall not be deemed to be a waiver of such provision or right and no waiver of any right or remedy in respect of any occurrence or event on one or more occasions shall be deemed a waiver of such right or remedy in respect of any other occurrence or event, whether similar or dissimilar, on any other occasion.

15. Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their signatures below.

MARRIOTT INTERNATIONAL, INC.

By: ---------- Date: ----------
Name:
Title:

MI SUBSIDIARY I, INC.

By: ---------- Date: ----------
Name:
Title:

EMPLOYEE

Date:
- ---------- ----------

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Exhibit A

SUPPLEMENTAL EXECUTIVE STOCK OPTION AGREEMENT
MARRIOTT INTERNATIONAL, INC.
1998 COMPREHENSIVE STOCK AND CASH INCENTIVE PLAN

This Agreement ("Agreement") is entered into as of _____ __ 1999 (the "Grant Date") by and between Marriott International, Inc. ("Company"), and _____(the "Employee").

The award of this option is made pursuant to the Employment Agreement (the "Employment Agreement") entered into on _____, 1999 by and among the Company, MI Subsidiary I, Inc. (to be renamed ExecuStay, Inc.), a Delaware corporation and a direct, wholly-owned subsidiary of the Company ("ExecuStay") and _____, a resident of the state of Maryland ("Employee"). This option award is made under the terms of the Company's 1998 Comprehensive Stock and Cash Incentive Plan (the "Plan") in accordance with the terms of the Plan and this Agreement.

Now, THEREFORE, it is agreed as follows:

1. Prospectus. The Employee has been provided with, and hereby acknowledges receipt of, a Prospectus for the Plan dated March 27, 1998, which contains, among other things, a detailed description of the stock option provisions of the Plan.

2. Interpretation. The provisions of the Plan are incorporated herein by reference and form an integral part of this Agreement. Except as otherwise set forth herein, capitalized terms used herein shall have the meanings given to them in the Plan or the Employment Agreement. In the event of any inconsistency between this Agreement or the Employment Agreement and the Plan, the terms of the Plan shall govern. A copy of the Plan is available from the Compensation Department of the Company upon request. All decisions and interpretations made by the Compensation Policy Committee of the Company's Board of Directors (the "Committee") or its delegate with regard to any question arising hereunder or under the Plan shall be binding and conclusive. The options granted pursuant to this Agreement are not intended to qualify as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code.

3. Grant of Options and Option Prices. The Company hereby grants to the Employee an option (the "Option") to acquire fifty thousand (50,000) shares (the "Option Shares") of the Company's Class A Common Stock (the "Company Stock") at $_____ per share (the "Option Price").

4. Option Term. The Option has a term of 15 years, beginning on the Grant Date and ending on the fifteenth anniversary of the Grant Date, unless earlier terminated as provided herein (the "Term").

5. Vesting.

(a) General. The Option granted hereunder shall vest and become exercisable as to 100 percent of the Option Shares on March 1, 2007; provided, however, that the Option may vest earlier as provided in Section 5(b) below.

a. Early Vesting. The Option granted hereunder shall vest and become exercisable as to one-third (1/3) of the Option Shares on each of any three of the Potential Vesting Dates if (i) EBITDA (as defined below) of ExecuStay grows at a cumulative annual rate (but not compounded) of at least thirty-five percent (35%) beginning with the 1999 Fiscal Year of ExecuStay and (ii) EBITDA grows at least at the Target Rate for a specified Fiscal Year of ExecuStay as compared to the preceding fiscal year. The Target Rate and Potential Vesting Dates are as follows:

Fiscal Year	Target Rate	Potential Vesting Date
1999	35%	March 1, 2000
2000	50%	March 1, 2001
2001	50%	March 1, 2002
2002	50%	March 1, 2003
2003	50%	March 1, 2004
2004	50%	March 1, 2005
2005	50%	March 1, 2006

For purposes of this Agreement, ?EBITDA? means earnings before interest expense, income taxes, depreciation and amortization, computed in accordance with generally accepted accounting principles as reflected in or derived from ExecuStay?s audited financial statements for the relevant fiscal year. EBITDA shall be adjusted in a manner determined by the Committee to reasonably reflect any capital or other investment in ExecuStay by the Company other than in connection with the acquisition of the outstanding common stock of ExecuStay. For purposes of determining the growth in EBITDA for ExecuStay?s Fiscal Year 1999, the EBITDA of ExecuStay Corporation for 1998 as reflected in or derived from its audited financial statements shall be used; provided that for purposes of this provision, EBITDA of ExecuStay Corporation for 1998 shall be at least $12.7 million.

6. Method of Exercising Option. To the extent vested, the Option may be exercised upon providing a signed written notice to the Company stating the number of Option Shares with respect to which the Option is being exercised. Upon receipt of such notice, the Company will advise the person exercising the Option of the amount of withholding taxes to be paid under Federal and, where applicable, state and local law resulting from such exercise. The Option may be exercised by (a) payment of the Option Price for the Option Shares being purchased in accordance with Section 6.6 of the Plan, (b) making provision for the satisfaction of the applicable withholding taxes, and (c) an undertaking to furnish and execute such documents as the Company deems necessary (i) to evidence such exercise, and (ii) to determine whether registration is then required to comply with the Securities Act of 1933 or any other law. Upon payment of the Option Price and provision for the satisfaction of the withholding taxes, the

Company shall, without transfer or issue tax to the person exercising the Option, either cause delivery to such person of a share certificate or other evidence of the Option Shares purchased or provide confirmation from the transfer agent for the Company Stock that said transfer agent is holding shares for the account of such person in a certificateless account. Payment of the purchase price may be made by delivery of shares of the Company's Common Stock held by the Employee for at least six months prior to the delivery. Pursuant to procedures, if any, that may be adopted by the Committee or its delegate, the exercise of the Option may be by any other means that the Committee determines to be consistent with the Plan's purpose and applicable law.

7. Rights as a Shareholder. The Employee shall have no rights as a shareholder with respect to any Option Shares covered by the Option granted hereby until the date of issuance of a stock certificate or confirmation of the acquisition of such Option Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date of issuance of stock upon exercise of the Option.

8. Non-Assignability. The Option shall not be assignable or transferable by the Employee except by will or by the laws of descent and distribution. During the Employee's lifetime, the Option may be exercised only by the Employee or, in the event of incompetence, by the Employee's legally appointed guardian.

9. Effect of Termination of Employment or Death. Pursuant to the Committee's authority under Section 10.2 of the Plan to issue Other Share-Based Awards, the Option shall be subject to a modified version of Section 6.9 of the Plan as set forth herein. If Employee ceases employment by reason of death or disability (in accordance with the terms of the Employment Agreement), the Option will become fully vested and be exercisable by the Employee or his personal representative until the earlier of (i) the expiration of the Option in accordance with the term for which it was granted or (ii) one year from the date of death or termination of employment by reason of disability. If Employee voluntarily resigns, is involuntarily terminated for cause (in accordance with the terms of the Employment Agreement) or goes on leave of absence for a period of greater than twelve months (except a leave of absence approved by the Board of Directors or the Committee), the unvested portion of the Option shall be forfeited and the vested portion shall be exercisable until the earlier of (i) the expiration of the Option in accordance with the term for which it was granted or (ii) three months from the effective date of the resignation or anniversary of the first day of the leave of absence. If Employee is involuntarily terminated other than for cause (in accordance with the terms of the Employment Agreement), Section 5(b) of this Agreement shall cease to apply, Section 5(a) of this Agreement shall continue to apply and the Option shall expire on December 31, 2007; provided, however, that, if earlier, the Option shall expire at such time as Employee fails to comply with Section 7(a) of the Employment Agreement. If Employee's employment with the Company and its Subsidiaries is terminated at the end of the Term of the Employment Agreement without renewal

or replacement thereof or an offer for continued employment being made for the same position with ExecuStay, the termination shall be treated as an involuntary termination other than for cause for purposes of this Agreement. If Employee terminates employment with the Company and its Subsidiaries as an Approved Retiree (as defined in the Plan), then the Option shall expire at the sooner to occur of (i) the expiration of such option in accordance with its original term or (ii) the expiration of five years from the date of retirement. In the event of the death of Employee without Approved Retiree status during the three month period following termination of employment, the Option shall be exercisable by the Employee's personal representative, heirs or legatees to the same extent and during the same period that the Employee could have exercised the Option if the Employee had not died. In the event of the death of Employee while an Approved Retiree, the Option shall be exercisable in its entirety by the Employee's personal representatives, heirs or legatees at any time prior to the expiration of one year from the date of the death of the Employee, but in no event after the term for which the Option was granted.

10. Recapitalization or Reorganization. Certain events affecting the Common Stock of the Company and mergers, consolidations and reorganizations affecting the Company may affect the number or type of securities deliverable upon exercise of the Option or limit the remaining term over which this Option may be exercised.

11. General Restriction. In accordance with the terms of the Plan, the Company may limit or suspend the exercisability of the Option or the purchase or issuance of Option Shares thereunder under certain circumstances.

12. Amendment of This Agreement. The Board of Directors may at any time amend, suspend or terminate the Plan; provided, however, that no amendment, suspension or termination of the Plan or the Option shall adversely affect in any material way the Option without the written consent of the Employee.

13. Notices. Notices hereunder shall be in writing, and if to the Company, may be delivered personally to the Compensation Department or such other party as designated by the Company or mailed to its principal office at 10400 Fernwood Road, Bethesda, Maryland 20817, addressed to the attention of the Stock Option Administrator (Department 935.40), and if to the Employee, may be delivered personally or mailed to the Employee at his or her address on the records of the Company.

14. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent provided in Paragraph 9 above and Section 6.9 of the Plan, to the personal representatives, legatees and heirs of the Employee.

15. No Effect on Employment. Nothing contained in this Agreement shall be construed to limit or restrict the right of the Company or of any subsidiary to terminate the Employee's employment at any time, with or without cause, or to increase or decrease the Employee's compensation from the rate of compensation in existence at the time this Agreement is executed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Grant Date.

MARRIOTT INTERNATIONAL, INC.

By:

Senior Vice President, Human Resources

Employee Social Security Number
(Please Print)

EMPLOYEE

Employee Name (Please Print)

Employee Signature

Exhibit E

STOCKHOLDER AGREEMENT

THIS STOCKHOLDER AGREEMENT (the "Agreement") is dated as of January 6, 1999, by and among Marriott International, Inc., a Delaware corporation ("Marriott"), MI Subsidiary I, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Marriott ("Acquisition") and Kelly J. Regan ("Regan").

WHEREAS, concurrently herewith, Marriott, Acquisition and ExecuStay Corporation, a Maryland corporation ("ExecuStay"), are entering into a Merger Agreement, a form of which is appended hereto as Exhibit I (as such agreement may hereafter be amended from time to time, the "Merger Agreement"), pursuant to which ExecuStay will be merged with and into Acquisition (the "Merger"). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Merger Agreement;

WHEREAS, concurrently herewith, certain other stockholders of ExecuStay are entering into three agreements with Marriott and Acquisition (the "Other Stockholders Agreements"), concerning certain matters connected with the Merger and their ExecuStay Shares (defined below);

WHEREAS, Regan Beneficially Owns (as defined herein) the number of shares, par value $0.01 per share, of common stock (the "Common Stock") of ExecuStay (the "ExecuStay Shares") set forth opposite Regan's name on Schedule A hereto;

WHEREAS, the Merger Agreement contemplates that, in anticipation of consummation of the Merger, one share of Class B Preferred Stock, par value $0.01 per share, of ExecuStay ("Class B Shares") will be issued to Regan in exchange (the "Exchange") for each ExecuStay Share held by Regan (as used herein, the term "Shares" refers to the ExecuStay Shares prior to the Exchange and the Class B Shares after the Exchange);

WHEREAS, Marriott has agreed that Regan shall receive shares of Marriott common stock, par value $0.01 per share ("Marriott Stock"), in the Merger, in respect of her Shares, and Regan desires to receive such Marriott Stock; and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Marriott has required that Regan agrees, and Regan has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations, warranties, covenants and agreements contained herein, the parties hereby agree as follows:

1. Agreement to Vote; Irrevocable Proxy.

(a) Regan hereby agrees that during the period commencing on the Tender Offer Purchase Time and continuing until the first to occur of the Closing and the termination of the Merger Agreement in accordance with its terms, at any meeting of the holders of the Shares, however called, or in connection with any written consent of the holders of Shares, Regan shall

vote (or cause to be voted) the Shares held of record or Beneficially Owned (as defined herein) by Regan, whether owned on the date hereof or hereafter acquired, (i) in favor of approval of the Merger Agreement, all transactions contemplated thereby, and any actions required in furtherance thereof and hereof (including election of such directors of ExecuStay as Marriott is entitled to designate pursuant to the Merger Agreement); (ii) against any action or agreement that is intended, or could reasonably be expected, to impede, interfere with, or prevent the Merger or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of ExecuStay or any of its subsidiaries under the Merger Agreement, the Other Stockholders Agreements or this Agreement; and (iii) except as specifically requested in writing in advance by Marriott or Acquisition, against the following actions (other than the Exchange, the Merger and the transactions contemplated by the Merger Agreement and this Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving ExecuStay or any of its subsidiaries or affiliates; (B) a sale, lease, transfer or disposition by ExecuStay or any of its subsidiaries of any assets outside the ordinary course of business or any assets which in the aggregate are material to ExecuStay and its subsidiaries taken as a whole, or a reorganization, recapitalization, dissolution or liquidation of ExecuStay or any of its subsidiaries or affiliates; (C)(1) any change in the management of ExecuStay or in a majority of the persons who constitute the board of directors of ExecuStay; (2) any change in the present capitalization of ExecuStay or any amendment of ExecuStay's charter or By-Laws; (3) any other material change in ExecuStay's or any of its subsidiaries' corporate structure or business; or (4) any other action that, in the case of each of the matters referred to in clauses (C)(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone or materially adversely affect the Exchange, the Merger or the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. Regan shall not enter into any agreement or understanding with any Person (as defined herein) the effect of which would be inconsistent with or violative of the provisions and agreements contained in Section 1 or 2 hereof.

(b) By her execution hereof and in order to secure her obligations hereunder, Regan hereby grants to, and appoints, Acquisition and Kenneth R. Rehmann and Joseph Ryan, in their respective capacities as officers of Acquisition, and any individual who shall hereafter succeed to any such office of Acquisition, and any other designee of Acquisition, and each of them individually, Regan's true and lawful irrevocable (until the Termination Date) proxy and attorney-in-fact (with full power of substitution) to vote the Shares, or grant a consent or approval in respect of such Shares, as indicated in Section 1(a) above, provided, however, that this proxy shall not take effect until purchase of the Shares at the Tender Offer Purchase Time. Regan intends this proxy to be irrevocable (from the Tender Offer Purchase Time until the Termination Date) and coupled with an interest and will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby represents that any proxy heretofore given in respect of her Shares is not irrevocable, and hereby revokes any proxy previously granted by Regan with respect to the Shares. Regan understands and acknowledges that Acquisition is entering into the Merger Agreement in reliance on her execution and delivery of this irrevocable proxy. Regan hereby affirms that this irrevocable proxy is given in connection with the execution of this Agreement and the Merger Agreement, and further affirms that this irrevocable proxy is coupled with an interest in this Agreement for the term stated herein

and may under no circumstances be revoked. Regan hereby ratifies and confirms all that this irrevocable proxy may lawfully do or cause to be done by virtue hereof. This proxy is executed and intended to be irrevocable in accordance with the provisions of Section 2-507(d) of the Maryland General Corporation Law. This proxy shall terminate automatically on the termination of the Merger Agreement.

2. Other Covenants, Representations and Warranties. Regan hereby represents and warrants to Marriott and Acquisition as of the date hereof and as of the Closing as follows:

(a) Ownership of Shares. Regan is the record and Beneficial Owner of the number of Shares set forth opposite Regan's name on Schedule A hereto. On the date hereof, the Shares set forth opposite Regan's name on Schedule A hereto constitute all of the Shares owned of record or Beneficially Owned by Regan. Regan owns such Shares free and clear of all liens, claims, charges, security interests, mortgages or other encumbrances, and such Shares are subject to no rights of first refusal, put rights, other rights to purchase or encumber such Shares, or to any agreements other than this Agreement as to the encumbrance or disposition of such Shares. Such Shares are duly and validly issued, fully paid and non-assessable. Regan has sole voting power and sole power to issue instruction with respect to the matters set forth in Section 1 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Shares set forth opposite Regan's name on Schedule A hereto, with no limitations, qualifications or restrictions on such rights.

(b) Power; Binding Agreement. Regan has the legal capacity, power and authority to enter into and perform all of Regan's obligations under this Agreement. The execution, delivery and performance of this Agreement by Regan will not violate any other agreement to which Regan is a party including, without limitation, any voting agreement, shareholder agreement or voting trust. This Agreement has been duly and validly executed and delivered by Regan and constitutes a valid and binding agreement of Regan, enforceable against Regan in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle are applied in a proceeding at law or in equity). There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which Regan is trustee who is not a party to this Agreement and whose consent is required for the execution and delivery of this Agreement or the consummation by Regan of the transactions contemplated hereby. If Regan is married and Regan's Shares constitute community property, this Agreement has been duly authorized, executed and delivered by, and constitute a valid and binding agreement of, Regan's spouse, enforceable against such person in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and except as the availability of equitable remedies may be limited by the application of general principles of equity (regardless of whether such equitable principle are applied in a proceeding at law or in equity).

(c) No Conflicts. (i) Except for filings, permits, authorizations, consents and approvals as may be required under and other applicable requirements of the HSR Act, no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by Regan and the consummation by Regan of the transactions contemplated hereby and (ii) none of the execution or delivery of this Agreement by Regan, the consummation by Regan of the transactions contemplated hereby or compliance by Regan with any of the provisions hereof shall (A) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which Regan is a party or by which Regan or, to the best of Regan's knowledge, any of Regan's properties or assets may be bound, or (B) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to Regan or any of Regan's properties or assets. This Agreement hereby supersedes all prior agreements to which Regan is a party with respect to Regan's Shares, including without limitation any registration rights agreement with respect to any of Regan's Shares.

(d) No Finder's Fees. No broker, investment banker, financial adviser or other person is entitled to any broker's, finder's, financial adviser's or other similar fee or commission in connection with the transactions contemplated by the Merger Agreement based upon arrangements made by or on behalf of Regan.

(e) Other Potential Acquirors. Regan (i) shall immediately cease any existing discussions or negotiations, if any, with any parties conducted heretofore with respect to any acquisition of all or any material portion of the assets of, or any equity interest in, ExecuStay or any of its subsidiaries or any business combination with ExecuStay or any of its subsidiaries, in her capacity as such, and (ii) from and after the date hereof until termination of the Merger Agreement, unless and until ExecuStay is permitted to take such actions under Section 5.4 of the Merger Agreement, shall not, in such capacity, directly or indirectly, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any such transaction or acquisition, or agree to or endorse any such transaction or acquisition, or authorize or permit any of Regan's agents to do so, and Regan shall promptly notify Marriott or Acquisition of any proposal and shall provide a copy of any such written proposal and a summary of any oral proposal to Marriott or Acquisition immediately after receipt thereof (and shall specify the material terms and conditions of such proposal and identify the person making such proposal) and thereafter keep Marriott or Acquisition advised of any development with respect thereto.

(f) Restriction on Transfer, Proxies and Non-Interference. Regan shall not, directly or indirectly: (i) tender her Shares in the Offer (as defined in the preamble to the Merger Agreement) or any other tender offer for ExecuStay Shares; (ii) except as contemplated by this Agreement, the Other Stockholders Agreements or the Merger Agreement, otherwise offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for

sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of Regan's Shares or any interest therein; (iii) grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iv) take any action that would make any representation or warranty of Regan contained herein untrue or incorrect or have the effect of preventing or disabling Regan from performing Regan's obligations under this Agreement.

(g) Investment Intention.

(i) Regan confirms that Marriott and Acquisition have made available to Regan, and her representatives and agents, (A) information about Marriott, (B) the opportunity to ask questions of the officers and employees of Marriott and (C) the opportunity to acquire such additional information about the business and financial condition of Marriott as Regan has requested, and such information has been received.

(ii) The shares of Marriott Stock to be issued to Regan in connection with the Merger will be acquired for investment and not with a view to distribution of such shares within the meaning of Section 2(11) of the Securities Act.

(iii) Regan does not have in mind the sale or other disposition of shares of Marriott Stock at some fixed time in the future (such as the expiration of the holding period for capital gains tax treatment) or upon the occurrence or nonoccurrence of any particular events.

(iv) Except as to the persons listed on Schedule 2(g), Regan is an "accredited investor" within the meaning of Section 2(a)(15) of the Securities Act.

(h) Reliance by Marriott and Acquisition. Regan understands and acknowledges that Marriott and Acquisition are relying upon the foregoing representations by Regan, and on Regan's execution and delivery of this Agreement (i) in entering into the Merger Agreement and (ii) in issuing the Marriott Stock in connection with the Merger without registration under the Securities Act or qualification under any state securities laws (collectively, "Blue Sky Laws"). Regan agrees that the Marriott Stock will not be transferred unless in the opinion of Marriott's legal counsel such transfer will not violate the registration requirements of the Securities Act or Blue Sky Laws.

3. Further Assurances; Merger Agreement Compliance. From time to time, at Marriott's or Acquisition's request and without further consideration, Regan agrees to execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, and to cause the Company to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, the Other Stockholders Agreements and the Merger Agreement. Regan further agrees not to take any action, or omit to take any action, which would, or would be reasonably likely to, result in a breach by the Company of any of the provisions of the Merger Agreement.

4. Stop Transfer; Form of Legend.

(a) Regan agrees with, and covenants to, Marriott that Regan shall not request that ExecuStay register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of Regan's Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend or distribution, or any change in the Common Stock or the Class B Shares by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

(b) All certificates representing any of Regan's Shares shall contain the following legend:

"The securities represented by this certificate are subject to certain restrictions on transfer and other terms of a Stockholder Agreement, dated as of January 6, 1999, among Marriott International, Inc., MI Subsidiary I, Inc. and Kelly J. Regan, a copy of which is on file in the principal office of Marriott International, Inc."

5. Stock Issuance and Registration.

(a) In accordance with the provisions of Section 2.1 of the Merger Agreement, immediately prior to the Merger, ExecuStay will, in the Exchange, issue to Regan on a share-for-share basis, Class B Shares in exchange for Common Stock held of record or Beneficially Owned by them. In the Merger, Regan shall receive, in respect of each Class B Share held of record or Beneficially Owned by Regan, shares of Marriott Stock in an amount determined by the "Class B Exchange Ratio" as defined in Section 2.9(b) of the Merger Agreement.

(b) Marriott shall, no later than the First Registration Date (as defined below), file with the SEC and thereafter use its reasonable efforts to cause to be declared effective, a registration statement on Form S-3 or an equivalent successor form (the "Form S-3") relating to the offer and sale from time to time by Regan of shares of Marriott Stock held by her that are Registrable Securities. As used herein, the "First Registration Date" means the later of (i) 30 days following the Closing Time, or (ii) April 30, 1999, provided, however, that if on such date Marriott is not eligible to use Form S-3 for registration of the resale of Registrable Securities as provided herein, then the First Registration Date shall be the earliest date after April 30, 1999 on which Marriott becomes eligible to use Form S-3 in connection with such resale registration. Subject to the limitations contained herein, Marriott shall use its reasonable efforts to keep the Form S-3 continuously effective in order to permit the prospectus forming part thereof to be usable by Regan for a period of one year from the Closing Time, or for such shorter period that will terminate when all Registrable Securities covered by the Form S-3 have been sold pursuant to the Form S-3 or cease to be outstanding or otherwise to be Registrable Securities.

(c) Marriott further agrees, if necessary, to supplement or amend the Form S-3, as required by Section 6 below, and to furnish to Regan, if she is holding Registrable

Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(d) Marriott agrees to use its reasonable efforts to ensure that (i) the Form S-3 and any amendments thereof, at the time each such Form S-3 or amendment thereof becomes effective, and any prospectus forming a part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) the Form S-3 and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of the Form S-3, and any supplement to such prospectus (as amended or supplemented from time to time)(each, as of the date thereof), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading; provided that clauses (ii) and (iii) of this paragraph shall not apply to any information provided by Regan.

(e) Regan may not use the Form S-3 unless she provides Marriott with the information required by Section 7 of this Agreement on a timely basis. Notwithstanding any other provision herein or in the Merger Agreement, (i) Marriott shall have no obligation under Sections 5 or 6 hereof with respect to any shares of Marriott Stock that are (x) not Registrable Securities or (y) held of record or Beneficially Owned by Regan if she has not performed her obligations under, or otherwise has breached, violated or is in default under, the Agreement or the Merger Agreement, and (ii) all obligations of Marriott under Sections 5 and 6 hereof automatically shall terminate and be of no further force or effect in the event that the Merger Agreement is terminated or the Offer or the Merger is not consummated.

(f) Notwithstanding any other provision herein, Marriott may delay filing the Form S-3, may withhold efforts to cause the Form S-3 to become effective, and may advise holders of Registrable Securities to suspend use of the prospectus that is part of the Form S-3, for limited periods of time if and to the extent that Marriott reasonably determines in good faith that any such action is necessary in order for Marriott to comply with its disclosure obligations under Section 5(d) hereof. In the event that Marriott advises the holders of registered Registrable Securities that Marriott considers it appropriate to suspend the use of the prospectus, such holders shall suspend any further sales of their registered securities until Marriott advises them that the Form S-3 has been amended or that such sales may be resumed.

6. Registration Procedures.

(a) Marriott shall prepare and file a Form S-3, within the relevant time period specified in Section 5(a), and use its reasonable efforts to cause such Form S-3 to become effective and remain effective in accordance with Section 5 hereof.

(b) Marriott shall prepare and file such amendments and post-effective amendments to the Form S-3 as may be necessary under applicable law to keep such Form S-3 effective for the applicable period; and cause each prospectus that is part of the Form S-3 to be supplemented by

any required prospectus supplement, and as so supplemented to be filed with the SEC pursuant to applicable requirements of the Securities Act and the rules and regulations thereunder.

(c) Marriott shall use its reasonable efforts to register or qualify the Registrable Securities under all applicable Blue Sky Laws as Regan, if she is holding Registrable Securities covered by the Form S-3 shall reasonably request; provided, however, that Marriott shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 6(c), or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject.

(d) Marriott shall furnish to Regan, if she is holding Registrable Securities, without charge, as many copies of each prospectus and any amendment thereof or supplement thereto as Regan may reasonably request.

(e) Marriott shall cooperate with Regan as a selling stockholder of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends.

(f) Marriott shall cause all Registrable Securities covered by the Form S-3 to be listed on the NYSE.

7. Condition Precedent. It shall be a condition precedent to the obligations of Marriott to take any action pursuant hereto that Regan shall furnish to Marriott such information regarding her, the Registrable Securities held by her and the intended method of disposition of such Registrable Securities as Marriott shall reasonably request and as shall be required in connection with the action to be taken by Marriott.

8. Expenses of Registration. All expenses incurred in connection with any registrations pursuant to Section 5 hereof, including without limitation all registration and qualification fees, printers' and accounting fees, reasonable fees and disbursements of counsel for Marriott, shall be borne by Marriott, except for (a) fees and disbursements of counsel for Regan, and (b) any underwriting or brokers' discounts or similar transaction fees, which shall be borne by Regan.

9. Indemnification.

(a) Marriott agrees to indemnify and hold harmless Regan (as the "Holder Indemnified Party"), against any losses, claims, damages or liabilities, joint or several, to which the Holder Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based on any Misstatement (defined below) in the Form S-3 or any amendments thereof or supplements thereto. Marriott will reimburse such Holder Indemnified Party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 9(a), the indemnity agreement contained in this Section 9(a) shall not (i) apply to amounts paid in settlement of any

such loss, claim, damage, liability or action if such settlement is effected without the consent of Marriott (which consent shall not be unreasonably withheld); (ii) apply to any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a Misstatement made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder Indemnified Party.

(b) Regan agrees to indemnify and hold harmless Marriott, each of its directors, each of its officers who have signed the Form S-3, and each person, if any, who controls Marriott within the meaning of the Securities Act, and each agent (the "Marriott Indemnified Parties") against any losses, claims, damages or liabilities to which any Marriott Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) (i) arise out of or are based upon any Misstatement in the Form S-3 and any amendments thereof or supplements thereto made in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder Indemnified Party. Regan will reimburse any legal or other expenses reasonably incurred by such Marriott Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything to the contrary contained in this Section 9(b), the indemnity agreement contained in this Section 9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Regan (which consent shall not be unreasonably withheld).

(c) If the indemnification provided for in this Section 9 is unavailable to an indemnified party under Section 9(a) or Section 9(b) above (other than by reason of exceptions provided in those Sections) in respect of any losses, claims, damages or liabilities referred to in such Sections, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefit and relative fault as well as any other equitable considerations.. The amount paid or payable by a party as a result of the losses, claims, damages, or liabilities referred to above shall be deemed to include, subject to the limitations set forth in Section 9(d), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The relative benefit shall be determined by the allocation of proceeds from such Form S-3. The relative fault of the indemnified party on the one hand and of the indemnifying party on the other shall be determined by reference to, among other things, whether the Misstatement or alleged Misstatement relates to information supplied by the indemnified party or the indemnifying party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Misstatement or alleged Misstatement. Marriott and Regan agree that it would not be just and equitable if contribution pursuant to this Section 9(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. No person guilty of fraudulent misrepresentation (within the meaning of Section 9(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) Any person entitled to indemnification hereunder will: (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification; and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such

indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled or elects not to assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other such indemnified parties with respect to such claim. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to her ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this paragraph, but the omission so to notify the indemnifying party will not relieve her of any liability that she may have to any indemnified party otherwise than under this Section.

10. Termination of Marriott's Obligations. Marriott shall have no obligations pursuant to Section 6 with respect to Registrable Securities more than one year after the Closing.

11. Employment Agreement. Regan agrees to the assignment to and assumption by Acquisition at the Closing Time of her employment agreement with the Company dated January 1, 1998.

12. The Options. Regan hereby agrees as follows:

(a) Grant of Options. Subject to the terms of this Section 12, Regan hereby grants to Acquisition (or its designee), effective upon the purchase of the shares by Acquisition at the Tender Offer Purchase Time, an irrevocable option (each, an "Option") to purchase all Shares held of record or Beneficially Owned by Regan at a purchase price per Share equal to $14.

(b) Exercise of Options. Acquisition may exercise the Options, in whole or in part, at any time and from time to time, following the occurrence of a Purchase Event (as defined below); provided that any Options not theretofore exercised shall expire and be of no further force and effect upon the earliest to occur (the "Expiration Date") of (i) the Closing Time, (ii) 5 months after the first occurrence of a Purchase Event, or (iii) termination of the Merger Agreement in accordance with its terms. Notwithstanding anything herein to the contrary, in the event of termination of the Merger Agreement, Marriott at its option either may elect to exercise the Options, or may accept payment of the Liquidated Damages Amount provided for in Section 9.3 of the Merger Agreement, but shall not be entitled to exercise the Options and retain Liquidated Damages Amount. In the event Marriott determines to exercise the Options, promptly upon a termination of the Merger Agreement giving rise to payment of the Liquidated Damages Amount, Marriott shall notify ExecuStay of its waiver of receipt of the Liquidated Damages Amount pursuant to the Merger Agreement.

As used herein, a "Purchase Event" shall mean any of the following events that occurs after the date hereof:

(i) Beneficial Ownership of more than 20% of the outstanding capital stock of ExecuStay (or rights to acquire such capital stock of ExecuStay) shall have been acquired by any Person or "group" other than Acquisition, any affiliate of Acquisition or Regan;

(ii) ExecuStay shall have entered into a definitive agreement or approved or recommended any proposal which provides for the acquisition of 20% or more of the outstanding capital stock of ExecuStay or substantially all of the assets of ExecuStay by any Person or group other than Acquisition, an affiliate of Acquisition or Regan;

(iii) (A) the failure of ExecuStay's stockholders to approve the Merger Agreement or the transactions contemplated thereby at a meeting called to consider such Merger Agreement, if such meeting shall have been preceded by (x) the public announcement by any Person or group (other than Acquisition or an affiliate of Acquisition) of an offer or proposal to acquire, merge or consolidate with ExecuStay, or (y) the Board of Directors of ExecuStay's publicly withdrawing or modifying, or publicly announcing its intent to withdraw or modify, its recommendation that the stockholders of ExecuStay approve the transactions contemplated by the Merger Agreement, as prohibited by Section 5.4(b) of the Merger Agreement; or (B) the acceptance by ExecuStay's Board of Directors of, or the public recommendation by ExecuStay's Board of Directors that the stockholders of ExecuStay accept, an offer or proposal from any Person or group (other than Acquisition or an affiliate of Acquisition), to acquire 20% or more of the outstanding capital stock of ExecuStay or for a merger or consolidation or any similar transaction involving ExecuStay, as prohibited by Section 5.4(b) of the Merger Agreement;

(iv) a proposal made by a third party to ExecuStay, its affiliates or their respective officers, directors, employees, representatives or agents, as described in Section 5.4 of the Merger Agreement, resulting in a breach by ExecuStay of the covenant and obligation contained in that Section 5.4 and such breach (x) would entitle Acquisition or Marriott to terminate the Merger Agreement pursuant to Section 9.1(b) thereof and (y) shall not have been cured prior to the date that Acquisition duly gives notices to Regan of its desire to exercise an Option pursuant to Section 12 hereof; or

(v) any breach by Regan of this Agreement.

(c) Notice of Exercise. To exercise an Option, Acquisition shall, prior to the Expiration Date, give written notice to Regan specifying the location in Maryland or Washington, D.C. and time for the closing (the "Option Closing") of such purchase. The Option Closing shall be held on the date that is no later than three business days after the date on which each of the conditions set forth in Section 12(d) below has been satisfied or waived by Acquisition.

(d) Conditions to Option Closing Following Exercise of Options. The occurrence of the Option Closing shall be subject to the satisfaction of each of the following conditions:

(i) to the extent necessary, any applicable waiting periods (and any extension thereof) under the HSR Act with respect to the purchase of the Shares following the exercise of an Option shall have expired or been terminated; and

(ii) no preliminary or permanent injunction or other order, decree or ruling issued by any court of governmental or regulatory authority, domestic or foreign, of competent jurisdiction prohibiting the exercise of an Option or the delivery of Shares shall be in effect.

(e) Transferability of Options. Acquisition may sell or transfer the Options and any Shares acquired upon exercise of an Option at any time, without the written consent of Regan, to any affiliate or affiliates of Acquisition.

(f) Payment for and Delivery of Certificates. At the Option Closing, (i) Acquisition (or its designee) shall pay, by check, an amount equal to the product of (x) $14 and (y) the number of Shares owned by Regan; and (ii) Regan shall deliver or shall cause to be delivered to Acquisition a certificate or certificates evidencing Regan's Shares, and Regan agrees that such Shares shall be transferred free and clear of all liens. All such certificates representing Shares shall be duly endorsed in blank, or with appropriate stock powers, duly executed in blank, attached thereto, in proper form for transfer, with the signature of Regan thereon guaranteed, and with all applicable taxes paid or provided for.

14. Termination. Except as otherwise provided herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the earliest of (a) termination of the Merger Agreement in accordance with its terms, or (b) the Effective Time.

15. Regan's Capacity. To the extent that Regan is or becomes during the term hereof a director or executive officer of ExecuStay makes any agreement or understanding herein in her capacity as such director or executive officer. Regan signs solely in her or her capacity as the record and/or beneficial owner of her Shares.

16. Waiver of Appraisal and Dissenter's Rights. Regan hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that she may have.

17. Non-Competition Agreement. As of the Closing Time, Regan hereby agrees to the assignment to, and assumption by, Acquisition of the Non-Competition Agreement dated January 1, 1998 by and among ExecuStay, ExecuStay Corporation of America, a Maryland corporation, and Regan.

18. Miscellaneous.

(a) Certain Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings:

(i) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a Person shall include securities Beneficially Owned by all other Persons with whom such Person would constitute a "group" as within the meanings of Section 13(d)(3) of the Exchange Act.

(ii) "Misstatement" means an untrue statement of a material fact or an omission to state a material fact required to be stated in a publicly-filed document necessary to make the statements in such a document not misleading; provided, however, that such term shall not apply to any statement or omission based on information supplied by Regan to Marriott or Acquisition for inclusion in the publicly-filed document.

(iii) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(iv) "register," "registered," and "registration" refer to a registration effected by preparing and filing with the SEC a registration statement in compliance with the Securities Act and the declaration or ordering by the SEC of effectiveness of such registration statement.

(v) "Registrable Securities" refers to any and all of the shares of Marriott Stock held by Regan as of the Closing Time, except that any such Marriott Stock shall cease to be Registrable Securities when and to the extent (A) a Form S-3 with respect to the sale of such Marriott Stock has become effective under the Securities Act and such Marriott Stock has been disposed of in accordance with such Form S-3; (B) such Marriott Stock has been sold to the public pursuant to Rule 144 or any successor provision under the Securities Act; (C) such Marriott Stock shall have been otherwise transferred, new certificates therefor not bearing a legend restricting further transfer shall have been delivered by Marriott and subsequent disposition of such Marriott Stock does not require registration or qualification under the Securities Act or any similar state law then in force in the opinion of legal counsel for Marriott; or (D) such Common Stock shall have ceased to be outstanding.

(vi) "subsidiary" or "subsidiaries" of Marriott, Acquisition, ExecuStay or any other person means any corporation, partnership, limited liability company, association, trust, unincorporated association or other legal entity of which the Marriott, Acquisition, ExecuStay or any such other person, as the case may be, (either alone or through or together with any other subsidiary) owns, directly or indirectly, 50% or more of the capital stock the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

(b) Entire Agreement. This Agreement and the Merger Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Certain Events. Regan agrees that this Agreement, the Other Stockholders Agreements and the obligations hereunder shall attach to Regan's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, Regan's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Marriott may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Marriott, but no such assignment shall relieve Marriott of its obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to Regan, except upon the execution and delivery of a written agreement executed by the relevant parties hereto.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be addressed to the respective parties at the following addresses:

If to Regan:	At the address set forth on Schedule A hereto.
If to Marriott or Acquisition:	MARRIOTT INTERNATIONAL, INC. 10400 Fernwood Road Bethesda, Maryland 20857 Telecopier: (301) 380-6727 Attention: General Counsel, Dept. 52/923
with a copy to:	Gibson, Dunn & Crutcher LLP 1050 Connecticut Avenue, N.W. Washington, D.C. 20036 Telephone: (202) 955-8522 Facsimile: (202) 467-0539 Attention: John F. Olson, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(l) Governing Law. Except as to Section 17, which shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflicts of laws thereof, this Agreement shall be governed and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts and laws thereof.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Marriott and Acquisition have caused this Agreement to be duly executed, and Regan has duly executed this Agreement, as of the day and year first above written.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Executive Vice President and General Counsel

MI SUBSIDIARY I, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan
Title: Vice President

/s/ Kelly J. Regan
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Kelly J. Regan

SCHEDULE A

NAME OF STOCKHOLDER	ADDRESS	NUMBER OF SHARES OWNED
Kelly J. Regan	7 Hanover Farms Road Bolton, Connecticut 06043	45,455